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LEGISLATIVE HISTORY

Public Law 85-835  
S. 4071

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## Index and summary of S. 4071

|               |                                                                                                                                       |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------|
| June 16, 1958 | Rep. Cooley introduced H. R. 12954 which was referred to the House Committee on Agriculture. Print of bill as introduced.             |
| June 17, 1958 | Digest of H. R. 12954 as introduced.                                                                                                  |
| June 19, 1958 | House committee reported H. R. 12954 without amendment. H. Report No. 1939. Print of bill and report.                                 |
| June 25, 1958 | Rules Committee reported resolution for consideration of H. R. 12954. H. Res. 609, H. Rept. No. 2008. Print of resolution and report. |
| June 26, 1958 | House rejected resolution for consideration of H. R. 12954.                                                                           |
| June 28, 1958 | Senate committee reported S. 4071, an original bill. S. Report No. 1766. Print of bill and report.                                    |
| July 3, 1958  | Sens. Schoeppel and Young submitted a proposed amendment to S. 4071. Copy of amendment.                                               |
| July 8, 1958  | Sens. Talmadge and Jordan submitted proposed amendments. Rep. Johnson criticized S. 4071.                                             |
| July 10, 1958 | Sen. Proxmire submitted and discussed proposed amendments to S. 4071.                                                                 |
| July 15, 1958 | Senate passed over S. 4071.<br>Sen. Sparkman submitted and discussed proposed amendments.                                             |
| July 23, 1958 | Senate began debate on S. 4071.                                                                                                       |
| July 24, 1958 | Senate continued debate on S. 4071.                                                                                                   |
| July 25, 1958 | Senate passed S. 4071 with amendments.                                                                                                |
| July 28, 1958 | S. 4071 was referred to the House Agriculture Committee. Print of bill as referred.                                                   |
| July 30, 1958 | House subcommittee met on provisions of S. 4071 relating to cotton.                                                                   |
| July 31, 1958 | House subcommittee met on provisions of S. 4071 and ordered reported certain recommendations.                                         |
| Aug. 1, 1958  | Committee adopted certain amendments.                                                                                                 |



Aug. 2, 1958 House committee reported S. 4071 with amendments.  
H. Rept. No. 2356. Print of bill and report.

Aug. 4, 1958 House debated S. 4071 under suspension of the  
rules.

Aug. 6, 1958 House rejected S. 4071.

Aug. 14, 1958 House passed substitute version of S. 4071.  
(This substitute version was not printed as a  
bill--printed in Congression Record of this date).

Aug. 15, 1958 Senate conferees were appointed on S. 4071.  
Rep. Hoffman objected to Rep. Cooley's request  
for unanimous consent to agree to Senate's request  
for conference.  
(Text of bill as passed by the House printed in Record).

Aug. 16, 1958 Senate requested House to return S. 4071.

Aug. 18, 1958 House returned S. 4071 to Senate as requested.  
Senate concurred in House amendment.

Aug. 21, 1958 Rep. Cooley inserted explanation of major provisions  
of S. 4071.

Aug. 28, 1958 Approved: Public Law 85-835.

Summaries of principal provisions of S. 4071

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HEARINGS:

House Agriculture Committee: "General Farm Program", Serial X;  
May 16, 1957.

"Program Proposals For Feed Grain Producers", Serial NN, Part 1  
and 2, Jan. 29, 30, 31, and Feb. 18, 1958, and April 16 and 17,  
1958.

House Appropriations Committee: "Present Conditions in Agriculture,"  
Feb. 26, 1957. (Secretary's testimony before Whitten subcommittee).

Senate Agriculture and Forestry Committee:

1. "Agricultural Situation and Farm Programs"; Jan. 29 and Feb. 6,  
1957.
2. "Farm Program"; May 15, 1957.
3. "Farm Program": Parts 1 - 6; Jan., Feb., and Mar., 1958.
4. "Long-Range Farm Program"; Parts 1 - 4; May and June, 1958.





Public Law 85-788 (H. R. 12494) SALE OF FOREST LAND IN CASWELL COUNTY, N. C. (approved August 27, 1958). Authorizes the Secretary of Agriculture, in selling or agreeing to sell to the State of North Carolina certain land utilization project lands administered by him in Caswell County, North Carolina, to include in the conveyance or agreement of sale provision permitting the State, after consummation of the sale, to sell to, or exchange for lands of, private parties for private purposes such of the lands as may be mutually agreed upon by him and the State. Requires that all proceeds received by the State from the sale of such lands be used by the State for acquisition of lands and any land so acquired, or acquired by the State in exchange for project lands, shall be within the project boundaries, become a part of the project lands, and be subject to the conditions with respect to the use of such lands for public purposes.

Public Law 85-791 (H. R. 6788) ABBREVIATION OF RECORDS BEFORE COURTS OF APPEAL (approved August 28, 1958). Authorizes the U. S. courts of appeal to adopt rules authorizing the abbreviation of administrative records when orders of the agencies are before the courts of appeals in review or enforcement proceedings. However, the Department may at its option file in the court the entire record of the administrative proceedings without abbreviation. Sections of the Act relating to this Department include abbreviated administrative records, Packers and Stockyards Act, Commodity Exchange Act, Federal Food, Drug, and Cosmetic Act, Federal Seed Act, Sugar Act of 1948, and the so-called Hobbs Act.

Public Law 85-795 (S. 4004) TRANSFERS TO INTERNATIONAL ORGANIZATIONS (approved August 28, 1958). Authorizes the detail or transfer of Federal employees to international organizations for periods not exceeding 3 years. Details may be on either a reimbursable or nonreimbursable basis. Provides that employees transferred shall retain Federal retirement and life insurance coverage if proper payments are made, coverage under the Federal Employees Compensation Act, retention of accumulated annual leave, and other specified rights and privileges. Provides reemployment rights for employees who transfer. Authorizes the President to prescribe rules and regulations to carry out the provisions of the Act. Provides that this Act shall be effective on the date of its enactment.

Public Law 85-797 (S. 3448) FARM UNITS ON SEEDSKADEE RECLAMATION PROJECT (approved August 28, 1958). Permits the establishment and settlement of irrigated farms on the Seedskadee reclamation project, Wyoming, of a size sufficient to support an average family. Maintains the family-size principle of reclamation law but modifies the application of the excess-land provisions to make the size of ownership to which water may be delivered dependent upon the productiveness of the land.

Public Law 85-800 (S. 3224) PROCUREMENT OF PROPERTY AND SERVICES (approved August 28, 1958). Amends the Federal Property and Administrative Services Act of 1949 so as to enable the making of advance payments under contracts when in the public interest, raise the dollar limitation on open market purchases to \$2,500, and make minor changes in several laws which will enable greater uniformity and simplicity in Government procurement.

Public Law 85-804 (H. R. 12894) NATIONAL DEFENSE CONTRACTS DURING NATIONAL EMERGENCIES (approved August 28, 1958). Permits the President, during a national emergency declared by Congress, to authorize any department or agency of Government which exercises functions in connection with the national defense,



to enter into contracts and to make advance payments thereon, without regard to other provisions of law relating to the making of such contract, whenever he deems that such action would facilitate the national defense. (Such authority was previously contained in the First War Powers Act of 1941 which expired June 30, 1958.)

Public Law 85-807 (S. 166) EXTENSION OF EDUCATION AND TRAINING BENEFITS (approved August 28, 1958). Authorizes an extension of the period during which education and training benefits may be granted to certain veterans who were prevented from initiating a course of education or training because they had not met nature of discharge requirements.

Public Law 85-812 (S. 3682) FOREST LAND EXCHANGE WITH ARIZONA COLLEGES (approved August 28, 1958). Authorizes the Secretary of Agriculture to exchange or sell about 349 acres of national forest land and improvements located on the outskirts of Tuscon, Arizona, to the Board of Regents of the University and State colleges of Arizona. If exchanged, the land conveyed to the U. S. must be within a national forest in Arizona and have a value at least equal to the lands and improvements conveyed to the Board. If sold, the property would be sold to the Board at 50 percent of the appraised value and upon condition that the property be used for research or educational purposes or revert to the U. S. if such use ceases. Requires the Board to enter into an agreement, as a further condition of sale, to continue providing building space and facilities for the work of this Department.

Public Law 85-819 (H. J. Res. 704) CONVENING OF CONGRESS (approved August 28, 1958). Provides that the first regular session of the Eighty-sixth Congress shall begin at noon on Wednesday, January 7, 1959.

Public Law 85-829 (H. R. 8481) TREE PLANTING ASSISTANCE FOR HAWAII (approved August 28, 1958). Amends Title IV of the Agricultural Act of 1956 so as to include Hawaii under its provisions. That title now authorizes the Secretary of Agriculture to cooperate with States by providing technical and financial assistance in tree planting and reforestation.

Public Law 85-833 (S. 4053) EXTENSION OF BOUNDARIES OF SISKIYOU NATIONAL FOREST (approved August 28, 1958). Extends the boundaries of the Siskiyou National Forest, Oregon, affecting 20,636 acres of land in a narrow corridor projecting about 20 miles into the forest along the Rogue River. The affected lands are comprised of Federal, State, and private land. The Federal lands become part of the national forest, and land exchange procedures are made applicable to the State and private lands. Grants authority to exchange national forest land for 79 acres of O&C Railroad grant lands.

Public Law 85-835 (S. 4071) AGRICULTURAL ACT OF 1958 (approved August 28, 1958).

#### TITLE I - COTTON

1959 and 1960: For 1959 and 1960, each individual farmer will have a choice between (A) his regular acreage allotment and price support as determined under section 101 of the Agricultural Act of 1949 (except that for the 1959 crop the level of support shall be not less than 80% of parity) or (B) an increase of not to exceed 40% (the precise percentage to be determined by the Secretary) in his regular farm allotment with price support at 15% of parity lower than the level determined for farmers who elect choice (A). Price



support to farmers who elect choice (A) will be made available through a purchase program. CCC is directed to offer cotton for sale for unrestricted use at not less than 10% above the lower price support level made available to farmers who elect choice (B). (Sec. 101)

After 1960: After 1960, farmers will receive only their regular acreage allotment, and price support will be at such level as the Secretary determines within the following limits: For 1961, the level will be not less than 70% and not more than 90% of parity; after 1961, the level will be not less than 65% and not more than 90% of parity. The escalator clause under which the minimum support level is determined on the basis of the supply percentage is repealed effective with the 1961 crop. Price support for cotton will be based on the average quality of the crop, beginning in 1961. (Sec. 102)

Minimum National Marketing Quota: The Act provides a minimum national marketing quota for cotton, after 1960, equal to estimated domestic consumption and exports less imports subject to such adjustment as will assure the maintenance of adequate but not excessive stocks, but the Secretary in making such adjustments may not reduce the national marketing quota for any year below the larger of (i) estimated domestic consumption and exports less one million bales or (ii) 10 million bales. (Sec. 103(1))

Minimum National Allotment: Beginning with the 1959 crop, the Act provides for a minimum national acreage allotment for cotton of 16 million acres. (Sec. 103(2))

Converting National Marketing Quotas to Acreage Allotments: The Act provides for the use of a 4-year yield instead of a 5-year yield in converting the national marketing quota to a national acreage allotment. (Sec. 103(4))

Extra Long Staple Cotton: Beginning with the 1961 crop, the national marketing quota for extra long staple cotton will be an amount equal to the estimated domestic consumption plus exports, less imports, plus such additional number of bales as the Secretary determines is necessary to assure adequate working stocks until cotton from the next crop becomes readily available. (Sec. 103(3))

Minimum Farm Allotments: The Act provides for permanent minimum farm cotton allotments of 10 acres or the 1958 acreage allotment established for the farm, whichever is smaller. 310,000 acres over and above the national acreage allotment are provided for apportionment to the States (1,000 acres to Nevada) on the basis of the States' needs for additional acreage for establishing such minimum allotments, and such further acreage as may be necessary is authorized to be apportioned to the farm to increase each farm acreage allotment to the prescribed minimum. (Sec. 104 (a) (b) (c), Sec. 105)

Method of Determining Farm Allotment: The Act authorizes the Secretary to use the previous year's allotment (instead of tillable acreage or history) as a basis in making allotments if he determines that such action will facilitate effective administration. (Sec. 106)

Retention of Surrendered Acreage in County: The Act provides that any cotton acreage which is surrendered shall be retained in the county and not surrendered to the State committee so long as any farmer in the county desires additional cotton acreage. (Sec. 107)

CCC Sales Restrictions: Effective August 1, 1961, minimum prices for sales of CCC cotton for unrestricted use are increased to 115% of support price plus reasonable carrying charges, except that CCC is authorized to sell at the market price a number of bales equal to that by which the national marketing quota is less than domestic consumption and exports. (Sec. 109)

Cotton Export Program: The Act provides that nothing therein shall be construed to affect or modify the cotton export sales program provided in Section 203 of the Agricultural Act of 1956. (Sec. 110)

Split Grades: Beginning with the 1959 crop of cotton, the Secretary is required to establish separate price support rates for split grades. (Sec. 111)

## TITLE II - CORN AND FEED GRAINS

Corn: The Act provides for a referendum to be held among corn producers in the commercial corn-producing area to determine which of two programs shall be in effect. If a majority of the producers favor it, acreage allotments and the commercial corn area will be discontinued, and price support for corn will be 90% of the average price received by farmers for the three preceding years, but not less than 65% of parity. If the referendum fails to carry, acreage allotments will continue to be in effect, and the minimum level of price support will continue to be between 75% and 90% of parity on the basis of the supply percentage, as provided under Section 101 of the Agricultural Act of 1949. (Sec. 201)

Other Feed Grains: Beginning with the 1959 crop, price support for oats, rye, barley and grain sorghums will be at a level determined by the Secretary to be fair and reasonable in relation to the price support for corn, taking into consideration the feed value of the commodity in relation to corn and the other factors specified in Section 401 (b) of the Agricultural Act of 1949. (Sec. 201)

## TITLE III - RICE

Acreage Allotments: The minimum national and State acreage allotments presently in effect for rice will be extended permanently. (Sec. 301)

Price Support: The escalator clause under which the minimum support level is determined on the basis of the supply percentage is repealed effective with the 1959 crop. Beginning with the 1959 crop, price support will be at a level determined by the Secretary within the following limits: For 1959 and 1960, price support will be not less than 75% and not more than 90% of parity; for 1961, price support will be not less than 70% and not more than 90% of parity; after 1961, price support will be not less than 65% and not more than 90% of parity. (Sec. 302)

## TITLE IV - WOOL

Extension of Wool Act: The Wool Act is extended for three years until March 31, 1962, and provides for the use of 70% of the ad valorem duties on wool and wool products (in addition to 70% of the specific duties). (Sec. 401)



TITLE V - MISCELLANEOUS

Transfer of Acreage Allotments: A uniform procedure is provided for transferring the allotment on a farm from which an owner is displaced by eminent domain proceedings to other farms owned by the owner. (Sec. 501)

Equity Payments: CCC is authorized to take over unredeemed collateral under non-recourse loans, without making equity payments. (Sec. 502)

Tung Nuts: The Act provides that tung nuts, for which the minimum price support level is now 60% of parity, shall be supported at not less than 65% of parity in any year in which domestic production of tung oil will be less than anticipated demand for such oil. (Sec. 503)

Armed Services Milk Program: The special program for making dairy products available to the military agencies and veterans' hospitals is extended for three years until December 31, 1961. (Sec. 504)

Donation of Cotton for Training Program: CCC is authorized to donate cotton to educational institutions for use in training students in the processing and manufacture of cotton into textiles. (Sec. 505)

Public Law 85-839 (H. R. 376) ONION FUTURES TRADING BAN (approved August 28, 1958). Imposes a ban on the making of contracts for the sale of onions for "future delivery" -- as distinguished from the sale of cash onions for "deferred shipment or delivery" -- on or subject to the rules of any board of trade in the U. S. Violation of the ban is made a misdemeanor, subject to a maximum fine of \$5,000.

Public Law 85-840 (H. R. 13549 SOCIAL SECURITY AMENDMENTS OF 1958 (approved August 28, 1958). Makes various amendments to the Social Security Act and the Internal Revenue Code of 1954 regarding the social security program, including a general increase in benefits under the Federal Old-Age, Survivors, and Disability Insurance System.

Public Law 85-843 (H. R. 12216) TEXAS LAND AND WATER RESOURCES STUDY (approved August 28, 1958). Provides for the establishment of a Commission of fourteen members appointed by the President, including one member from this Department, to study and prepare a basic, comprehensive, and integrated plan for the conservation, utilization, and development of the land and water resources of the Neches, Trinity, Brazos, Colorado, Guadalupe-San Antonio, Nueces, and San Jacinto River Basins in Texas.

Public Law 85-844 (H. R. 13856) INDEPENDENT OFFICES APPROPRIATION ACT, 1959 (approved August 28, 1958). Includes funds for the Civil Service Commission, Federal Civil Defense Administration, Federal Power Commission, Federal Trade Commission, General Accounting Office, General Services Administration, Interstate Commerce Commission, National Science Foundation, Selective Service Commission, Veterans Administration, U. S. Water Study Commission for South Carolina-Georgia-Alabama-Florida, and the U. S. Water Study Commission for Texas.

Public Law 85-846 (S. 4273) EURATOM COOPERATION ACT OF 1958 (approved August 28, 1958). Authorizes a cooperative program between the U. S. and the European Atomic Energy Community for research and development of atomic reactors.



Public Law 85-847 (H. R. 9407) GRANTING CAREER STATUS TO CERTAIN EMPLOYEES (approved August 28, 1958). Provides reinstatement rights to the competitive civil service for employees of the Federal Government whose positions on or before January 23, 1955, were in the competitive service but between that date and November 10, 1955, were transferred to the excepted service. Provides for the conversion to career or career-conditional appointments of employees who failed to file timely applications under Public Law 380, 84th Congress, (which provided for granting career-conditional and career appointments to certain qualified employees), because of erroneous advice or determination by their employing agencies.

Public Law 85-850 (S. 4021) LAND AND WATER RESOURCES STUDY IN SOUTHEASTERN STATES (approved August 28, 1958). Provides for the establishment of a study Commission of eleven members appointed by the President, including one member from this Department, to study and prepare a comprehensive and coordinated plan for the control, conservation, and utilization of the land and water resources of the Savannah, Altamaha, Saint Marys, Apalachicola-Chattahoochee, and Perdido-Escambia River Basins in South Carolina, Georgia, Florida, and Alabama.

Public Law 85-851 (H. R. 12303) VIRGIN ISLANDS REVISED ORGANIC ACT AMENDMENTS (approved August 28, 1958). Makes various amendments to the Revised Organic Act of the Virgin Islands, including amendments relative to loyalty oaths, legislative power and authority, salaries of officials, trial by jury, and issuance of bonds.

Public Law 85-853 (H. R. 13192) MUTUAL SECURITY APPROPRIATION ACT, 1959 (approved August 28, 1958). Provides \$400,000,000 for the development loan fund; \$150,000,000 for technical cooperation; \$20,000,000 for the U. N. expanded program of technical assistance; \$1,500,000 for technical cooperation programs of the Organization of American States; \$200,000,000 general authorization for special assistance; and \$2,100,000 for payments of ocean freight charges on shipments of U. S. voluntary relief agencies. Provides that not to exceed 50 percent of the foreign currencies heretofore generated in any country under Sec. 402 of the Mutual Security Act of 1954 (relating to the export and sale for foreign currencies of surplus agricultural commodities, and the use of such foreign currency proceeds), may, notwithstanding prior provisions of law, hereafter be used in accordance with the provisions of that section, provided that quarterly reports of the use of such foreign currencies shall be submitted to the Appropriations Committees of the House and Senate.

Public Law 85-857 (H. R. 9700) CONSOLIDATION OF VETERANS' BENEFITS LAWS (approved September 2, 1958). Consolidates into one act all of the laws administered by the Veterans' Administration, including those relating to loans for the purchase of farm homes, farms and equipment, and business property, and to education and training benefits, including on-farm training.

Public Law 85-858 (S. 1903) EMPLOYEE TRAVEL EXPENSES OUTSIDE THE UNITED STATES (approved September 2, 1958). Amends the Administrative Expenses Act of 1946 so as to provide that any person appointed by the President, by and with the advice and consent of the Senate, whose post of duty is outside the U. S., shall be allowed expenses of round trip travel for himself and immediate family, excluding household effects, from his post of duty outside the U. S. to his place of residence at the end of each 2 years of satisfactory overseas service, if he is returning to his place of residence on leave prior to serving at least 2 more years of overseas duty.







85TH CONGRESS  
2D SESSION

# H. R. 12954

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 1958

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To extend and amend the Agricultural Trade Development and Assistance Act of 1954; to amend the Agricultural Adjustment Act of 1938, the Agricultural Act of 1949, and the National Wool Act of 1954 with respect to acreage allotment and price support programs for rice, cotton, wool, wheat, milk, and feed grains; and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as "The Agricultural Act of  
4       1958".

### 5                   TITLE I—FOREIGN TRADE

6       SEC. 101. The Agricultural Trade Development and  
7       Assistance Act of 1954, as amended, is amended as follows:

8       (a) Sections 109 and 204 of such Act are amended



1 by striking out "1958" and substituting in lieu thereof  
2 "1959".

3 (b) Section 103 (b) of such Act is amended by  
4 striking out "\$4,000,000,000" and inserting in lieu thereof  
5 "\$5,500,000,000".

6 SEC. 102. Section 303 of the Agricultural Trade Devel-  
7 opment and Assistance Act of 1954 is amended to read as  
8 follows:

9 "SEC. 303. The Secretary is directed, to the maximum  
10 extent practicable within the limit permitted by this section,  
11 to barter or exchange agricultural commodities owned by the  
12 Commodity Credit Corporation for (a) strategic materials  
13 or other materials of which the United States does not  
14 domestically produce its requirements and which entail less  
15 risk of loss through deterioration or substantially less storage  
16 charges, or (b) materials, goods, or equipment required in  
17 connection with foreign economic and military aid and assist-  
18 ance programs, or (c) materials or equipment required in  
19 substantial quantities for offshore construction programs.  
20 He is hereby directed to use every practicable means, in  
21 cooperation with other Government agencies, to arrange  
22 and make, through private channels, such barters or ex-  
23 changes or to utilize the authority conferred on him by sec-  
24 tion 4 (h) of the Commodity Credit Corporation Charter

1 Act, as amended, to make such barters or exchanges: *Pro-*  
2 *vided*, That the total volume of the transactions directed by  
3 this section shall not exceed \$500,000,000 annually, unless  
4 specifically authorized by the Congress. In carrying out  
5 barters or exchanges authorized by this section, no restric-  
6 tions shall be placed on the countries of the free world into  
7 which surplus agricultural commodities may be sold, except  
8 where the Secretary has made a specific finding as to a  
9 particular transaction that such transaction will replace a  
10 cash sale for dollars. The authorities contained in this sec-  
11 tion shall, in addition to other types of transactions, permit  
12 the domestic processing of raw materials of foreign origin  
13 or of domestic origin where the domestic processor agrees  
14 to import an equivalent amount of similar foreign material.  
15 Agencies of the United States Government procuring such  
16 materials, goods, or equipment are hereby directed to cooper-  
17 ate with the Secretary in the disposal of surplus agricultural  
18 commodities by means of barter or exchange. The Secretary  
19 is also directed to assist, through such means as are available  
20 to him, farmers' cooperatives in effecting exchange of agri-  
21 cultural commodities in their possession for strategic  
22 materials."

23 SEC. 103. Section 104 of the Agricultural Trade De-  
24 velopment and Assistance Act of 1954, as amended, is

1 amended by substituting a semicolon for the period at the  
2 end of paragraph (j) and adding the following new para-  
3 graph:

4 “(k) For the acquisition by purchase, lease, rental or  
5 otherwise, of sites and buildings and grounds abroad, for  
6 United States Government use including offices, residence  
7 quarters, community and other facilities, and for construc-  
8 tion, repair, alteration and furnishing of such buildings and  
9 facilities: *Provided*, That foreign currencies shall be available  
10 for the purposes of this subsection (in addition to funds other-  
11 wise made available for such purposes) in such amounts as  
12 may be specified from time to time in appropriation acts;”.

13 SEC. 104. Section 104 of such Act is amended by adding  
14 thereto the following new paragraph:

15 “(l) For financing trade fair participation and related  
16 activities authorized by section 3 of the International Cultural  
17 Exchange and Trade Fair Participation Act of 1956 (22  
18 U. S. C. 1992) ;”.

19 SEC. 105. Section 104 of such Act is amended by add-  
20 ing the following new paragraph:

21 “(m) For financing under the direction of the Librar-  
22 ian of Congress, in consultation with the National Science  
23 Foundation and other interested agencies, (1) programs  
24 outside the United States for the analysis and evaluation  
25 of foreign books, periodicals, and other materials to deter-



1 mine whether they would provide information of technical  
2 or scientific significance in the United States and whether  
3 such books, periodicals, and other materials are of cultural  
4 or educational significance; (2) the registry, indexing, bind-  
5 ing, reproduction, cataloging, abstracting, translating, and  
6 dissemination of books, periodicals, and related materials de-  
7 termined to have such significance; and (3) the acquisition  
8 of such books, periodicals, and other materials and the de-  
9 posit thereof in libraries and research centers in the United  
10 States specializing in the areas to which they relate;”.

11 SEC. 106. Such Act is amended by adding thereto the  
12 following new section:

13 “SEC. 306. Any provision of this Act or of section 32  
14 of the Act of August 24, 1935, as amended (7 U. S. C.  
15 612c), may be extended by the President to any area under  
16 the jurisdiction or administration of the United States.”

17 SEC. 107. Section 104 of such Act is amended by in-  
18 serting in the first proviso after the lettered paragraphs  
19 thereof, after “(d) and (e)”, in lieu of the word “and”,  
20 the following: “except when used for cooperative non-self-  
21 liquidating projects for the development of human resources  
22 and skills;”

23 SEC. 108. (a) Section 104 of such Act is amended by  
24 inserting before the period at the end of the first sentence of  
25 paragraph (h) thereof the following: “and for the financing

1 of programs for the interchange of persons under title II of  
2 the United States Information and Educational Exchange  
3 Act of 1948, as amended (22 U. S. C. 1446) ”.

4 (b) Such section is further amended by adding the  
5 following new paragraph:

6 “(n) For providing assistance, by grant or otherwise,  
7 in the expansion or operation in foreign countries of estab-  
8 lished schools, colleges, or universities founded or sponsored  
9 by citizens of the United States, for the purpose of enabling  
10 such educational institutions to carry on programs of voca-  
11 tional, professional, scientific, technological, or general edu-  
12 cation; and in the supporting of workshops in American  
13 studies or American educational techniques, and supporting  
14 chairs in American studies:”.

## 15 TITLE II—RICE

16 SEC. 201. Section 101 (d) of the Agricultural Act of  
17 1949, as amended, is amended by adding at the end thereof  
18 the following:

19 “(8) For the 1959, 1960, and 1961 crops, the level  
20 of support for any crop of rice for which producers have not  
21 disapproved marketing quotas shall be such level not less  
22 than 75 per centum or more than 90 per centum of the  
23 parity price therefor as the Secretary determines after con-  
24 sideration of the factors specified in section 401 (b).”

25 SEC. 202. Section 353 (c) of the Agricultural Adjust-

1 ment Act of 1938, as amended, is amended by adding at  
2 the end thereof the following:

3 “(7) The national acreage allotments of rice for 1959,  
4 1960, and 1961 shall be not less than the national acreage  
5 allotment for 1958, and such national allotments for 1959,  
6 1960, and 1961 shall be apportioned among the States in  
7 the same proportion that they shared in the total acreage  
8 allotted in 1958.”

### 9 TITLE III—COTTON

#### 10 1959-61 PRICE SUPPORTS AND ACREAGE ALLOTMENTS

11 SEC. 301. For the 1959, 1960, and 1961 crops, pro-  
12 duction adjustment and price support programs for upland  
13 cotton (hereinafter referred to as “cotton”) shall be carried  
14 out in accordance with the provisions of the Agricultural  
15 Adjustment Act of 1938, as amended, and the Agricultural  
16 Act of 1949, as amended, except that—

17 (1) the national marketing quota, which shall be  
18 proclaimed for each year regardless of the supply find-  
19 ings under section 342 of the Agricultural Adjustment  
20 Act of 1938, as amended, shall be not less than that  
21 number of bales necessary to equal the estimated domes-  
22 tic consumption and exports for the marketing year for  
23 which the quota is proclaimed;

24 (2) the Secretary shall provide for the county  
25 committee to offer the operator of each farm for which



1 a 1959 cotton acreage allotment has been established a  
2 choice between two price support and acreage allot-  
3 ment programs for 1959 as hereinafter described: (a)  
4 under "program A" the farm acreage allotment shall  
5 be the allotment established for the farm pursuant to  
6 the provisions of the Agricultural Adjustment Act of  
7 1938, as amended, and this Act, and the level of price  
8 support for cooperators shall be established by the  
9 Secretary without regard to section 101 (b) of the  
10 Agricultural Act of 1949, as amended, at not less than  
11 the level calculated by using the same per centum of the  
12 parity price of cotton as that which was applicable  
13 to the 1958 crop of cotton; (b) under "program B" the  
14 farm acreage allotment so established shall be increased  
15 by not to exceed  $33\frac{1}{3}$  per centum, and the level of price  
16 support for cooperators shall be set at such level not  
17 less than 60 per centum of the parity price for cotton,  
18 as the Secretary shall determine;

19 (3) the provisions of paragraph (2) shall be ap-  
20 plicable to the 1960 and 1961 crops of cotton except  
21 that the level of price support under "program A" shall  
22 be established by the Secretary without regard to  
23 section 101 (b) of the Agricultural Act of 1949, as  
24 amended, at not less than 80 per centum of parity for

1 the 1960 crop and not less than 75 per centum of parity  
2 of the 1961 crop;

3 (4) the additional acreage required to be allotted  
4 to farms under "program B" for any year shall be in ad-  
5 dition to the county, State, and National acreage allot-  
6 ments for such year and the production from such acre-  
7 age shall be in addition to the national marketing quota.  
8 The additional acreage so allotted to farms shall not be  
9 taken into account in establishing future State, county,  
10 and farm acreage allotments;

11 (5) price support to cooperators under "program  
12 A" shall be made available through a purchase program  
13 and cotton so purchased by the Commodity Credit Cor-  
14 poration, as well as any other cotton acquired by the  
15 Commodity Credit Corporation under price-support  
16 operations, may be made available for sale immediately  
17 after receipt at not less than 10 per centum above the  
18 current support price under "program B", plus reason-  
19 able carrying charges: *Provided*, That any cotton ac-  
20 quired by the Commodity Credit Corporation under any  
21 price support program may be used for the purpose of  
22 carrying out the cotton export program provided for in  
23 section 203 of the Agricultural Act of 1956.

## 1 SMALL FARM ALLOTMENTS

2 SEC. 302. The amendments contained in subsections (a) ,  
3 (c) , and (d) of section 303 of the Agricultural Act of 1956  
4 relating to minimum farm acreage allotments shall apply  
5 to the 1959, 1960, and 1961 crops of cotton, except that—

(1) the national acreage reserve shall be established by the Secretary in an amount equal to the estimated needs for additional acreage for establishing minimum farm allotments under section 344 (f) (1). The needs for such additional acreage shall be estimated by the Secretary, taking into consideration such needs as established by the Secretary in connection with the 1957 and 1958 cotton allotments and the size of the national acreage allotments for such years. The national acreage reserve shall be apportioned to States and counties on the basis of the proviso in paragraph (7) of section 344 (f).

(2) the amount of the national acreage reserve established pursuant to paragraph (1) of this section and the additional one thousand acres for apportionment to Nevada shall be deducted from the national acreage allotment prior to its apportionment to the States pursuant to section 344 (b).



## LOANS ON SPOTTED COTTON ✓

1  
2 SEC. 303. Section 403 of the Agricultural Act of 1949,  
3 as amended, is amended by adding at the end thereof the  
4 following sentence: "In adjusting the support price for  
5 cotton on the basis of grade, the Secretary shall establish  
6 separate price support rates substantially reflecting the usual  
7 trade differentials for spotted cotton and for light spotted  
8 cotton".

## APPORTIONMENT ON BASIS OF PREVIOUS ALLOTMENT

9  
10 SEC. 304. Section 344 (f) of the Agricultural Adjust-  
11 ment Act of 1938, as amended, is amended by adding at  
12 the end thereof the following new paragraph:

13 "(7) Notwithstanding the foregoing provisions of para-  
14 graphs (2) and (6) of this subsection, the Secretary may,  
15 if he determines that such action will facilitate the effective  
16 administration of the provisions of the Act, provide for  
17 the county acreage allotment for 1959, 1960, and 1961,  
18 less the acreage reserved under paragraph (3) of this  
19 subsection, to be apportioned to farms on which cotton has  
20 been planted in any one of the three years immediately  
21 preceding the year for which such allotment is determined,  
22 on the basis of the farm acreage allotment for the year  
23 immediately preceding the year for which such apportion-

1 ment is made, adjusted as may be necessary for any change  
2 in the acreage of cropland available for the production  
3 of cotton: *Provided*, That the State and county bases for  
4 apportioning the acreage reserve provided for in sub-  
5 section (b) of this section for establishing minimum farm  
6 allotments pursuant to paragraph (1) of this subsection  
7 shall be the same as those determined by the Secretary in  
8 apportioning such reserves in establishing 1958 farm cotton  
9 acreage allotments.”

#### 10 TITLE IV—WOOL

11 SEC. 401. Section 703 of the National Wool Act of  
12 1954 (68 Stat. 910) is amended by striking out “March 31,  
13 1959” and inserting in lieu thereof “March 31, 1962”.

14 SEC. 402. The first proviso in section 704 of such Act  
15 (68 Stat. 911) is amended by striking out “specific” the  
16 first time it appears therein, and by striking out “(whether  
17 or not such specific duties are parts of compound rates)”.

18 SEC. 403. The proviso in section 705 of such Act (68  
19 Stat. 911) is amended by striking out “specific” the first  
20 time it appears therein, and by striking out “(whether or not  
21 such specific duties are parts of compound rates)”.

#### 22 TITLE V—WHEAT

23 SEC. 501. Title III of the Agricultural Adjustment Act  
24 of 1938, as amended, is amended (1) by designating sub-

1 titles D and E as subtitles E and F, respectively, and (2)  
2 by inserting after subtitle C a new subtitle D as follows:

3 "SUBTITLE D—DOMESTIC PARITY PLAN FOR WHEAT

4 "LEGISLATIVE FINDINGS

5 "SEC. 379a. Wheat, in addition to being a basic food,  
6 is one of the great export crops of American agriculture and  
7 its production for domestic consumption and for export is  
8 essential to the maintenance of a sound national economy and  
9 to the general welfare. The movement of wheat from pro-  
10 ducer to consumer, in the form of the commodity or any of  
11 the products thereof, is preponderantly in interstate and for-  
12 eign commerce. That small percentage of wheat which is  
13 produced and consumed within the confines of any State is  
14 normally commingled with, and always bears a close and  
15 intimate commercial and competitive relationship to, that  
16 quantity of such commodity which moves in interstate and  
17 foreign commerce. For this reason, any regulation of intra-  
18 state commerce in wheat is a regulation of commerce which  
19 is in competition with, or which otherwise affects, obstructs,  
20 or burdens interstate commerce in that commodity. In  
21 order to provide an adequate and balanced flow of wheat  
22 in interstate and foreign commerce and thereby assist farm-  
23 ers in obtaining parity of income by marketing wheat for  
24 domestic consumption at parity prices and by increased ex-



1 ports at world prices, and to assure consumers an adequate  
2 and steady supply of wheat at fair prices, it is necessary to  
3 regulate all commerce in wheat in the manner provided  
4 under the marketing certificate plan set forth in this subtitle.

5 "DOMESTIC FOOD QUOTA

6 "SEC. 379b. Not later than May 15 of each calendar  
7 year the Secretary shall determine and proclaim the domestic  
8 food quota for wheat for the marketing year beginning in  
9 the next calendar year. Such domestic food quota shall  
10 be that number of bushels of wheat which the Secretary  
11 determines will be consumed as human food in the con-  
12 tinental United States during such marketing year.

13 "APPORTIONMENT OF DOMESTIC FOOD QUOTA

14 "SEC. 379c. (a) The domestic food quota for wheat,  
15 less a reserve of not to exceed 1 per centum thereof for ap-  
16 portionment as provided in this subsection, shall be ap-  
17 portioned by the Secretary among the several States on the  
18 basis of the State acreage allotment of wheat for the year  
19 for which the domestic food quota is determined multiplied  
20 by the average yield per acre of wheat for the State during  
21 such ten-year period, adjusted for abnormal weather con-  
22 ditions and for trends in yields. The reserve quota set aside  
23 herein for apportionment by the Secretary shall be used to  
24 establish quotas for counties, in addition to the county quotas  
25 established under subsection (b) of this section, on the basis

1 of the relative needs of counties for additional quota because  
2 of reclamation and other new areas coming into the produc-  
3 tion of wheat during the five calendar years immediately  
4 preceding the calendar year in which the quota is pro-  
5 claimed.

6 “(b) The State domestic food quota for wheat, less  
7 a reserve of not to exceed 3 per centum thereof for appor-  
8 tionment as provided in subsection (c), shall be apportioned  
9 by the Secretary among the counties in the State on the  
10 basis of the county acreage allotment of wheat for the year  
11 for which such State quota is determined multiplied by the  
12 normal yield of wheat for the county for such year.

13 “(c) The county domestic food quota for wheat shall  
14 be apportioned by the Secretary, through the local commit-  
15 tees, among the farms within the county on which wheat  
16 has been seeded for the production of wheat during any one  
17 or more of the three calendar years immediately preceding  
18 the calendar year in which the marketing year for which  
19 the quota is proclaimed begins, on the basis of the farm acre-  
20 age allotment for the year for which the quota is proclaimed  
21 multiplied by the farm normal yield of wheat for such year.  
22 The reserve provided under subsection (b) shall be appor-  
23 tioned to farms for which new wheat acreage allotments  
24 are determined under the second sentence of section 334 (c)  
25 of this Act, as amended, on the basis of the farm acre-

1 age allotment for such year multiplied by the farm normal  
2 yield of wheat for such year.

3 "MARKETING CERTIFICATES

4 "SEC. 379d. (a) Beginning with the first crop of wheat  
5 for which a marketing certificate program is placed in effect  
6 under section 379j, the Secretary shall prepare for issuance  
7 in each county marketing certificates aggregating the amount  
8 of the county domestic food quota. Such certificates shall be  
9 issued to cooperators in an amount equal to the domestic  
10 food quota established for the farm pursuant to the applicable  
11 provisions of section 379c of this Act. The marketing certifi-  
12 cates for a farm shall be issued to the farm operator, but the  
13 Secretary may authorize the issuance of marketing certifi-  
14 cates to individual producers on any farm on the basis of  
15 their respective shares in the wheat crop, or the proceeds  
16 thereof, produced on the farm. The Secretary shall also  
17 issue and sell marketing certificates to processors and im-  
18 porters in such quantities as are required by them in order  
19 to meet the requirements of subsections (a) and (b) of  
20 section 379e. Marketing certificates shall be transferable  
21 only in accordance with regulations issued by the Secretary.

22 "(b) Whenever a domestic food quota is proclaimed  
23 for any marketing year pursuant to section 379b of this  
24 Act, the Secretary shall determine and proclaim for such  
25 marketing year (1) the estimated parity price, (2) the



1 estimated farm price for wheat, and (3) the value per bushel  
2 of the marketing certificate. The value of the marketing  
3 certificate shall be equal to the amount by which the esti-  
4 mated parity price exceeds the estimated farm price as  
5 determined herein. The value of each marketing certificate  
6 shall be computed to the nearest cent by multiplying the  
7 value per bushel by the number of bushels thereof. Except  
8 as otherwise provided herein, the value of the certificate  
9 so determined shall remain constant and shall remain in  
10 effect throughout the marketing year for which it is issued.  
11 The proclamation required by this subsection shall be made  
12 during the month of May immediately preceding the market-  
13 ing year for which such domestic food quota is proclaimed.  
14 “(c) The Secretary is authorized and directed through  
15 the Commodity Credit Corporation to buy and sell marketing  
16 certificates issued for any marketing year at the value pro-  
17 claimed pursuant to subsection (b) of this section. For the  
18 purpose of facilitating the purchase and sale of certificates,  
19 the Secretary may establish and operate a pool or pools and  
20 he may also authorize public and private agencies to act  
21 as his agents, either directly or through the pool or pools.  
22 Certificates shall be valid to cover sales and importations of  
23 products made during the marketing year with respect to  
24 which they are issued and after being once used to cover

1 such sales and importations shall be canceled by the Secre-  
2 tary. Any unused certificates shall be redeemed by the  
3 Secretary at the price established for such certificates.

4 "MARKETING RESTRICTIONS

5 "SEC. 379e. (a) Beginning with the first day of the  
6 marketing year in which the first crop of wheat for which  
7 a marketing certificate program is placed in effect under  
8 section 379j would normally be marketed, and except as  
9 provided in subsection (d) hereof, all persons engaged in  
10 the processing of wheat into food products composed wholly  
11 or partly of wheat are hereby prohibited from marketing  
12 any such product for domestic food consumption or export  
13 containing wheat in excess of the quantity for which market-  
14 ing certificates issued pursuant to section 379d of this Act  
15 have been acquired by such person. The quantity of such  
16 marketing certificates acquired shall be equivalent to the  
17 number of bushels of wheat processed into food products.

18 "(b) Beginning with the first day of the marketing  
19 year in which the first crop of wheat for which a marketing  
20 certificate program is placed in effect under section 379j  
21 would normally be marketed and except as provided in  
22 subsection (d) hereof, all persons are hereby prohibited  
23 from importing or bringing into the continental United States  
24 any food products containing wheat in excess of the quantity

1 for which marketing certificates issued pursuant to section  
2 379d of this Act have been acquired by such person.

3 “(c) Upon the exportation from the continental United  
4 States of any food product containing wheat, with respect  
5 to which marketing certificates as required herein have been  
6 acquired, the Secretary shall pay to the exporter an amount  
7 equal to the value of the certificates for the quantity of  
8 wheat so exported in the food product. For the purposes  
9 of this subsection, the consignor named in the bill of lad-  
10 ing, under which the article is exported, shall be considered  
11 the exporter: *Provided, however,* That any other person  
12 may be considered to be the exporter if the consignor named  
13 in the bill of lading waives claim in favor of such other  
14 person.

15 “(d) Upon the giving of a bond satisfactory to the Sec-  
16 retary under such rules and regulations as he shall prescribe  
17 to secure the purchase of and payment for such marketing  
18 certificates as may be required, any person required to have  
19 a marketing certificate in order to market or import a food  
20 product composed wholly or partly of wheat may market or  
21 import any such commodity without having first acquired a  
22 marketing certificate.

23 “(e) As used in this section, (1) the term ‘marketing’  
24 means the sale and the delivery of the food product composed



1 wholly or partly of wheat, and (2) the term "food" means  
2 human food.

3 "CONVERSION FACTORS

4 "SEC. 379f. The Secretary shall ascertain and establish  
5 conversion factors showing the amount of wheat contained  
6 in food products processed wholly or partly from wheat.  
7 The conversion factor for any such product shall be deter-  
8 mined upon the basis of the weight of wheat used in the  
9 processing of such product.

10 "CIVIL PENALTIES

11 "SEC. 379g. Any person who violates or attempts  
12 to violate, or who participates or aids in the violation of,  
13 any of the provisions of subsection (a) or (b) of section  
14 379e of this Act shall forfeit to the United States a sum  
15 equal to three times the market value, at the time of the  
16 commission of such act, of the product involved in such  
17 violation. Such forfeiture shall be recoverable in a civil  
18 suit brought in the name of the United States.

19 "ADJUSTMENTS IN DOMESTIC FOOD QUOTAS

20 "SEC. 379h. If the Secretary has reason to believe that  
21 because of a national emergency or because of an unusual  
22 and material increase in demand for wheat, the domestic  
23 food quota for wheat should be increased or suspended, he  
24 shall cause an immediate investigation to be made to deter-  
25 mine whether the increase or suspension is necessary in order

1 to meet such emergency or increase in the demand for wheat.  
2 If, on the basis of such investigation, the Secretary finds that  
3 such increase or suspension is necessary, he shall immedi-  
4 ately proclaim such finding (and if he finds an increase is  
5 necessary, the amount of the increase found by him to be  
6 necessary) and thereupon such quotas shall be increased or  
7 shall be suspended, as the case may be. In case any  
8 domestic food quota for wheat is increased under this section,  
9 each farm quota for wheat shall be increased in the same  
10 ratio and marketing certificates shall be issued therefor in  
11 accordance with section 379d of this Act. In case any  
12 domestic food quota for wheat is increased or suspended  
13 under this section, the Secretary may redetermine the value  
14 of marketing certificates prior to the issuance of such certifi-  
15 cates pursuant to section 379d of this Act.

16 "REPORTS AND RECORDS

17 "SEC. 379i. (a) The provisions of section 373 (a) of  
18 this Act shall apply to all persons, except wheat producers,  
19 who are subject to the provisions of this subtitle, except that  
20 any such person failing to make any report or keep any rec-  
21 ord as required by this section or making any false report or  
22 record shall be deemed guilty of a misdemeanor and upon  
23 conviction thereof shall be subject to a fine of not more  
24 than \$2,000 for each such violation.

25 "(b) The provisions of section 373 (b) of the Act shall

1 apply to all wheat farmers who are subject to the provisions  
2 of this subtitle.

3 "REFERENDUM

4 "SEC. 379j. In any referendum held pursuant to section  
5 336 of this Act on the national marketing quota proclaimed  
6 for the 1959, 1960, or 1961 crops of wheat, the Secretary  
7 shall also submit on separate ballots the question whether  
8 farmers favor a marketing certificate program under this  
9 subtitle in lieu of marketing quotas under subtitle B. If  
10 more than one-half of the farmers voting in the referendum  
11 favor such marketing certificate program, the Secretary shall,  
12 prior to the effective date of the national marketing quota  
13 proclaimed under subtitle B, suspend the operation of such  
14 quota and place into effect a marketing certificate program  
15 for that crop and any subsequent wheat crops harvested in  
16 the years 1959, 1960, and 1961 under the provisions of this  
17 subtitle, in which event marketing quotas and the provisions  
18 of title II of this Act relating thereto, except as otherwise  
19 provided in this section, shall not thereafter be in effect for  
20 such crops of wheat: *Provided*, That, whenever a marketing  
21 certificate program is in effect, the wheat marketing quota  
22 provisions and penalties shall remain in effect with respect  
23 to prior crops of wheat in the same manner as if marketing  
24 quotas were in effect for the current crop of wheat, and the



1 Secretary may, by regulation, prescribe the method for col-  
2 lecting penalties on any such wheat.

3 "PRICE SUPPORT

4 "SEC. 379k. Notwithstanding any other provision of  
5 law—

6 "(a) whenever a wheat marketing certificate pro-  
7 gram under this subtitle is in effect, price support for  
8 wheat shall be determined in accordance with the  
9 provisions of subsection (b) of this section;

10 "(b) the Secretary of Agriculture is authorized to  
11 make available through loans, purchases, or other opera-  
12 tions, price support to producers of wheat who are co-  
13 operators. The amount, terms, conditions, and extent  
14 of such price-support operations shall be determined by  
15 the Secretary, except that the level of such support  
16 shall be determined after taking into consideration the  
17 following factors: (1) the supply of the commodity in  
18 relation to the demand therefor, (2) the price levels  
19 at which corn and other feed grains are being supported  
20 and the feed value of such grains in relation to wheat,  
21 (3) the provisions of any international agreement  
22 approved by the Congress or ratified by the Senate  
23 relating to wheat to which the United States is a party,  
24 (4) foreign trade policies of friendly wheat exporting

1 countries, and (5) other factors affecting international  
2 trade in wheat including exchange rates and currency  
3 regulations;

4 “(c) compliance by the producer with acreage  
5 allotments may be prescribed and required by the Secre-  
6 tary as a condition of eligibility for price support and  
7 for the receipt of wheat marketing certificates. Acreage  
8 allotments shall be established in accordance with the  
9 provisions of subtitle B, part III of this Act;

10 “(d) notwithstanding any other provision of law,  
11 no producer of wheat shall receive certificates for a num-  
12 ber of bushels in excess of the number obtained by  
13 multiplying the acreage actually planted to wheat for  
14 harvest as grain by the normal yield;

15 “(e) any farmer who is dissatisfied with his farm  
16 acreage allotment may have such acreage allotment  
17 reviewed in accordance with the procedures prescribed  
18 by sections 363 to 368, inclusive, for reviewing market-  
19 ing quotas.”

## 20 TITLE VI—MILK

21 SEC. 601. Section 201 of the Agricultural Act of 1949,  
22 as amended, is amended by adding at the end thereof the  
23 following:

24 “(d) Notwithstanding any other provision of law, the  
25 Secretary shall, through the Commodity Credit Corporation,

1 by means of payments, support the price to producers of  
2 milk and butterfat used in manufactured dairy products at  
3 not less than 90 per centum of the parity equivalent  
4 price during the marketing years ending March 31, 1960,  
5 March 31, 1961, and March 31, 1962: *Provided*, That  
6 the Secretary may reduce the level of price support  
7 for any such marketing year by 3 per centum of the  
8 parity equivalent price for each 1 per centum of mar-  
9 keting base by which the Federal Dairy Board estab-  
10 lishes marketing quotas for such marketing year above  
11 the lowest quota authorized by subparagraph (3) (A)  
12 hereof: *Provided further*, That the total amount of pay-  
13 ments to producers for any marketing year shall not  
14 exceed an amount equivalent to the total amount of com-  
15 pliance deposits forfeited by producers in the same marketing  
16 year.

17 “(1) Not later than March 1 of each calendar year,  
18 the Federal Dairy Board (hereinafter referred to as the  
19 “Board”) shall estimate and determine for the marketing  
20 year starting in that calendar year the average market price  
21 of milk used in manufactured dairy products which would  
22 be received by farmers in the absence of any Federal price-  
23 support operations. If the Board determines that such price  
24 will be less than 90 per centum of the probable parity



1 equivalent price therefor, it may establish as a condition of  
2 eligibility for price-support payments for such marketing  
3 year a requirement that producers comply with such market-  
4 ing quotas as may be established for each individual dairy  
5 farm.

6       “(2) The Secretary shall establish a base for each pro-  
7 ducer desiring to market milk or butterfat. Bases shall be  
8 assigned to producers, including partnerships, corporations,  
9 or other business entities, and not to herds or farms. The  
10 Secretary shall provide by rules or regulations for the trans-  
11 fer of bases in whole or in part, for the assignment of bases  
12 to new producers, for the equitable adjustment of bases to  
13 avoid hardship, for such other adjustments consistent with  
14 the objectives of this Act as he deems appropriate, including  
15 adjustments for deficit production areas, and for such other  
16 matters as may be necessary or appropriate to set up and  
17 operate effectively and efficiently the program herein au-  
18 thorized. In establishing such bases the Secretary shall  
19 take into consideration historical production, trends, abnor-  
20 mal production during the historical period, and such other  
21 factors as may be appropriate to establish such bases in an  
22 equitable and practical manner. Bases established by the  
23 Secretary shall continue in effect from year to year, but  
24 such bases shall be subject to modification and adjustments  
25 from time to time.

1       “(3) When marketing quotas are required under pro-  
2 visions of paragraph (1) above the marketing quota for  
3 each farm may be calculated by deducting not to exceed  
4 2 per centum from the farm marketing base for each 5 per  
5 centum by which the Board estimates that the average mar-  
6 ket price of milk used in manufactured dairy products would  
7 be below 90 per centum of the parity equivalent price, in  
8 the absence of any Federal price support operations.

9       (4) When marketing quotas are required, compliance  
10 deposits of not less than 25 cents nor more than 50 cents  
11 per hundredweight of milk, as determined by the Board to  
12 be the amount required to encourage compliance with  
13 marketing quotas, shall be withheld from and shall be col-  
14 lected from each producer who sells milk, butterfat, or dairy  
15 products. Every person purchasing milk, butterfat, or dairy  
16 products from a producer (except purchases by consumers  
17 for other than commercial uses) shall withhold from the  
18 purchase price an amount equal to the compliance deposit  
19 and shall remit the same to the Commissioner of Internal  
20 Revenue. For the purposes of this section, milk, butterfat,  
21 or dairy products delivered by a producer to a cooperative  
22 association of producers shall be subject to the withholding  
23 of the deposit upon such delivery. Returns shall be filed  
24 and remittances made monthly by such purchasers in accord-  
25 ance with rules prescribed by the Commissioner. The Com-

1   missioner of Internal Revenue shall collect the compliance  
2   deposits provided for herein and shall prescribe such rules  
3   and regulations as may be necessary to accomplish that  
4   purpose. Compliance deposits collected shall be credited  
5   to a special account of the Secretary Agriculture to make  
6   refunds to milk producers who comply with marketing  
7   quotas as provided herein. The Secretary of Agriculture,  
8   annually prior to July 1 following the close of the immedi-  
9   ately preceding marketing year, shall issue drafts on such  
10   special account to refund to each producer who complies with  
11   his marketing quota the entire amount of the compliance  
12   deposit withheld from such producer. The Secretary shall  
13   release to the Treasurer of the United States the total of  
14   compliance deposits of each producer who exceeded his  
15   marketing quota.

16       “(5) A price-support deficiency payment shall be paid  
17   on all sales of milk and butterfat for manufacturing to each  
18   individual producer who complies with his marketing quota  
19   and shall be such as, within the limitations of the second  
20   proviso of the first sentence hereof, the Secretary determines  
21   to be sufficient, when added to the State average price re-  
22   ceived by producers for milk and butterfat used for manu-  
23   factured dairy products, to equal a total return of not less than



1 the support level established pursuant to this subsection for  
2 milk and butterfat used for manufactured dairy products on  
3 milk sold for manufacturing purposes for that State. Such  
4 payments shall be made to producers prior to July 1 next  
5 following the close of the marketing year. The Secretary  
6 shall calculate the monthly average net price received  
7 for milk and butterfat used in manufactured dairy products  
8 received in each State, using the price at the point  
9 of first sale out of the producers' hands. A producer who  
10 sells milk under the terms of a Federal milk order and who  
11 complies with his marketing quota shall be eligible for a  
12 payment on milk diverted into manufactured dairy products.

13       “(6) In December 1958, the Secretary shall conduct  
14 a nationwide referendum of milk producers to determine  
15 whether those voting approve the provisions of this sub-  
16 section. If more than one-half of the producers voting  
17 in the referendum oppose this subsection, this subsection  
18 shall not be placed into effect and the price-support opera-  
19 tions of the Secretary under subsection 201 (c) of the  
20 Agricultural Act of 1949 with respect to milk and dairy  
21 products shall remain in effect. The Secretary shall conduct  
22 the referendum, prescribing such rules and regulations as  
23 may be necessary. Only milk producers shall be eligible to

- 1 vote. Any milk producer shall have only one vote and  
 2 shall vote as an individual, rather than as a business entity.  
 3 The ballot shall be in the following form:

---

“UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICIAL BALLOT

NATIONAL REFERENDUM OF MILK PRODUCERS

---

Mark this square if you favor—

- Establishment of a dairy income protection program, utilizing  
 deficiency payments, compliance deposits, and marketing quotas  
☐ based on 90 per centum of the parity equivalent price, in addition  
 to Government purchases, storage and diversion as provided in  
 the Agricultural Act of 1958.

---

Mark this square if you favor—

- Continuation of price support utilizing Government purchases,  
☐ storage and diversion with support at 75 to 90 per centum of the  
 parity equivalent price, as provided by section 201 (c) of the  
 Agricultural Act of 1949.
- 

- 4 “The price support operations of the Secretary under  
 5 subsection 201 (c) of this Act with respect to milk and  
 6 dairy products shall be suspended after the first six months  
 7 during which this Act shall be in effect, and remain sus-  
 8 pended during any subsequent marketing year during which  
 9 this Act shall be in effect.

10 “FEDERAL DAIRY BOARD

- 11 “(7) There is created in the Department to make the  
 12 determinations and perform the functions provided in this  
 13 subsection, a Federal Dairy Board consisting of fifteen mem-  
 14 bers to be appointed by the President after receiving nomi-  
 15 nations from milk producers as provided herein. Only per-

1 sons who are milk producers shall be eligible to serve on  
2 the Board.

3 “(A) In order to secure appropriate regional repre-  
4 sentation on the Board, the United States shall be divided  
5 into fifteen Federal dairy districts to be designated by the  
6 Secretary. In designating such districts, the Secretary shall  
7 give consideration to (1) complete geographical representa-  
8 tion of the United States and (2) the designation of dis-  
9 tricts, so that districts will be areas having equal annual sales  
10 of milk and butterfat, as nearly as possible without dividing  
11 any county into two or more districts.

12 “(B) Each Federal dairy district shall be assigned one  
13 place on the Board. The milk producers in each district  
14 shall by ballot select three nominees for the place on the  
15 Board assigned to their district. Each milk producer shall  
16 be entitled to submit one name for nominee for the place  
17 on the Board to be filled from his district. The three candi-  
18 dates receiving the highest number of votes for nominee for  
19 each respective place on the Board shall be nominees for  
20 appointment to such place. The Secretary shall conduct an  
21 election of nominees between January 1 and January 15,  
22 1959, and shall conduct any subsequent elections for the  
23 selection of such nominees, prescribe such rules and regula-  
24 tions as he may consider necessary in the administration of



1 the duties assigned herein, determine all questions involving  
2 the qualifications of such nominees, members of the Board,  
3 or milk producers, resolve all tie votes for such nominees,  
4 and certify such nominees to the President. The decision  
5 of the Secretary in all such matters shall be final. The three  
6 nominees so selected for each place on the Board shall be  
7 received by the President, who shall select one of the three  
8 nominees for appointment to each place on the Board for  
9 which such nominees were selected. In making appoint-  
10 ments to the Board, the President shall give careful consid-  
11 eration to securing an equitable representation of the various  
12 forms in which milk and its products are sold.

13 “(C) Terms of Board members shall expire on June 30,  
14 1962. Board members may be removed for cause or in-  
15 eligibility by the President. Vacancies on the Board may  
16 be filled for the unexpired terms by appointment by the  
17 President, taking into consideration the nominees from which  
18 the original appointment was made, or, in the discretion of  
19 the President, in the manner herein prescribed for the ap-  
20 pointment of members for a regular term. Vacancies on the  
21 Board shall not impair the power of the remaining members  
22 to exercise all the powers of the Board, except that in no  
23 event shall the Board be empowered to act unless eight or  
24 more places on the Board are filled. Each member of the  
25 Board, other than the Secretary or the Secretary’s represent-

1   ative, shall receive a per diem of \$50 for each day's attend-  
2   ance at meetings of the Board and while traveling to and  
3   from said meetings, together with actual, necessary travel  
4   subsistence, and other expenses incurred in the discharge of  
5   his official duties without regard to other laws with respect  
6   to allowances which may be made on account of travel and  
7   subsistence expenses of officers and employed personnel of  
8   the United States. The Secretary, or an official of the De-  
9   partment designated by him, shall be an ex officio member  
10  of the Board. He shall meet and confer with the Board but  
11  shall not be entitled to vote.

12       “(D) The Board shall meet as soon as practicable fol-  
13  lowing their initial appointment, and thereafter, annually  
14  on the second Monday in December and at other times upon  
15  the call of the Chairman. In addition, special meetings of  
16  the Board may be called at any time by a majority of the  
17  members of the Board in office, or by the Secretary. The  
18  Board shall meet at least once in each calendar quarter of  
19  each year.

20       “(E) The Chairman of the Board shall be selected by  
21  the Board. He shall hold office for a term of one calendar  
22  year and until his successor shall have been selected and  
23  shall have taken office. Vacancies in the office of the Chair-  
24  man of the Board shall be filled for the unexpired term by  
25  the Board.

1       “(F) A majority of the members of the Board in office  
2 shall constitute a quorum, and action may be taken by a  
3 majority vote of those present at any regular or special  
4 meeting at which a quorum is present. The findings and  
5 determinations of the Board made under the authority of this  
6 section shall be final and conclusive. The Board may adopt,  
7 alter, and use an official seal which shall be judicially  
8 noticed. It may adopt rules and regulations governing the  
9 manner in which its business may be conducted and its  
10 powers may be exercised.

11       “(G) The Federal Dairy Board is directed, in addition  
12 to its other duties, to cause to be made a comprehensive  
13 study of the production and marketing of manufacturing  
14 milk, including producers' costs of production, prices received  
15 by farmers, areas of production, the relationship between  
16 changes in the farm price of butterfat and milk for manu-  
17 facturing and changes in the volume of market supply of  
18 each commodity, the relationship between changes in na-  
19 tional income and changes in the volume of consumption of  
20 manufactured dairy products, marketing and processing  
21 spreads, relationship between prices received by farmers for  
22 milk used for fluid consumption and that used for manufactur-  
23 ing, returns to milk producers on capital investment and  
24 labor relative to other farmers and other segments of the na-  
25 tional economy, and trends in these factors; and shall submit



1 to Congress not later than January 3, 1961, a detailed report  
2 thereon with recommendations for legislation related to the  
3 protection of producers' returns on and market supply man-  
4 agement of butterfat and milk for manufacturing, including  
5 programs to be operated and financed by diarmen, covering  
6 the probable costs and effects of the proposals recommended  
7 and the legislation required to put the proposal into effect.  
8 The Federal Dairy Board may conduct such hearings and  
9 receive such statements and briefs in connection with such  
10 study as it deems appropriate.

11 “(H) The Secretary is directed to make available to the  
12 Federal Dairy Board the services of such of the facilities and  
13 personnel of the Department of Agriculture as it may require  
14 for the appropriate conduct of its duties.”

15 ANNOUNCEMENT OF SUPPORT LEVEL

16 SEC. 602. Section 406 of the Agricultural Act of 1949,  
17 as amended, is amended by adding at the end thereof the  
18 following new sentence: “In announcing the price support  
19 level for milk and butterfat, the Secretary shall announce a  
20 corresponding support price for manufacturing milk contain-  
21 ing 3.5 per centum milk fat.”

22 CERTIFICATION THAT SUPPORT PRICE WAS PAID TO  
23 PRODUCER

24 SEC. 603. The second sentence of subsection (c) of sec-  
25 tion 201 of the Agricultural Act of 1949, as amended, is

1 amended to read as follows: "Such price support shall be  
2 provided through loans on, or purchases of, milk and the  
3 products of milk and butterfat and the Secretary shall require  
4 of the vendor of any such products purchased under this  
5 section a certification that producers were paid the price  
6 support in effect at the time of purchase for the milk or  
7 butterfat used in the products purchased."

8 EXTEND SCHOOL MILK PROGRAM

9 SEC. 604. The last sentence of section 201 (c) of the  
10 Agricultural Act of 1949, as amended (7 U. S. C. 1446), is  
11 amended by striking out the word "two" and by striking out  
12 "1958" and inserting in lieu thereof "1961".

13 EXTEND VETERANS AND ARMED SERVICES MILK PROGRAM

14 SEC. 605. The first sentence of section 202 (a) of the  
15 Agricultural Act of 1949, as amended (7 U. S. C. 1446a),  
16 is amended by striking out "1958" and inserting in lieu  
17 thereof "1961".

18 SEC. 606. Subsection (b) of section 202 of the Agricul-  
19 tural Act of 1949 (7 U. S. C. 1446a) is amended by strik-  
20 ing out "1958" and inserting in lieu thereof "1961", by  
21 striking out "of the Army, Navy, or Air Force, and as a  
22 part of the ration" and inserting in lieu thereof "(1) of the  
23 Army, Navy, Air Force, or Coast Guard, (2)", and by  
24 inserting before the period at the end of the first sentence

1 of such subsection the following: “, and (3) of cadets and  
2 midshipmen at, and other personnel assigned to, the United  
3 States Merchant Marine Academy”.

4 PRICE SUPPORT DETERMINATION

5 SEC. 607. Section 201 (c) of the Agricultural Act of  
6 1949, as amended, is amended by striking out of the first  
7 sentence thereof the words “necessary in order to assure an  
8 adequate supply”.

9 TITLE VII—FEED GRAINS

10 SEC. 701. This title may be cited as the “Feed Grains  
11 Act of 1958”.

12 SUSPENSION OF COMMERCIAL CORN AREA AND CORN

13 ALLOTMENTS

14 SEC. 702. The provisions of sections 321, 327, 328 and  
15 329 of the Agricultural Adjustment Act of 1938, as  
16 amended, shall be inoperative with respect to the crop years  
17 1959, 1960 and 1961.

18 SUBTITLE I—NATIONAL FEED GRAIN BASE ACREAGE;

19 FARM FEED GRAIN BASE ACREAGE: ACREAGE AL-  
20 LOTMENTS: FARM CONSERVATION BASE

21 SEC. 703. The designation of part II of subtitle B of title  
22 III of the Agricultural Adjustment Act of 1938, as amended,  
23 is redesignated as “Part II—Acreage Allotments and Mar-  
24 keting Quotas—Feed Grains”.



1        SEC. 704. The Agricultural Adjustment Act of 1938,  
2    as amended, is amended by adding a new section 322 as  
3    follows:

4 "NATIONAL AND FARM FEED GRAIN BASES; ACREAGE  
5 ALLOTMENTS; CONSERVATION BASE

6 "SEC. 322. (a) Prior to December 1, 1958, the Secre-  
7 tary shall establish for each farm producing feed grains in the  
8 United States a farm feed grain base for 1959, 1960, and  
9 1961. The national feed grain base shall be one hundred and  
10 two million acres. Such national feed grain base shall be ap-  
11 portioned by the Secretary among the States on the basis of  
12 the acreage of feed grains (planted and diverted) in such  
13 States during the years 1955, 1956, and 1957, with adjust-  
14 ments for abnormal weather conditions in the local areas  
15 involved and for trends in acreage during such period and for  
16 the promotion of soil-conservation practices. The feed grain  
17 base for each State shall be apportioned by the Secretary  
18 among the counties on the basis of the acreage of feed grains  
19 (planted and diverted) in such counties during the years  
20 1955, 1956, and 1957, with adjustments for abnormal  
21 weather conditions in the local areas involved and for trends  
22 in acreage during such period and for the promotion of soil-  
23 conservation practices. The feed grain base for the county  
24 shall be apportioned by the Secretary, through the local com-

1 mittees, among the farms within the county on the basis of  
2 past acreage of feed grains (planted and diverted), tillable  
3 acreage, crop rotation practices, type of soil, and topography,  
4 with adjustments for abnormal weather conditions in the local  
5 areas involved and for the promotion of soil-conservation  
6 practices.

7 “(b) Prior to December 1, 1958, the Secretary shall  
8 establish for each farm producing feed grains in the United  
9 States a conservation base included in which shall be the  
10 average of all farm acreage utilized during the years 1955,  
11 1956, and 1957 for farm buildings, private roads, woodlands,  
12 permanent pasture, marshland, and all acreage not in  
13 cultivation, but not including tame hay acreage or rotational  
14 pasture.

15 “(c) For each of the three crop years commenc-  
16 ing January 1, 1959, the Secretary shall determine  
17 the national feed grain acreage allotment which shall be the  
18 acreage required to keep feed grain production in balance  
19 with domestic consumption and exports. For 1959 the na-  
20 tional feed grain acreage allotment shall be eighty-one million  
21 six hundred thousand acres; for 1960 and 1961 the national  
22 feed grain acreage allotment shall be not less than eighty-one  
23 million six hundred thousand acres nor more than ninety-one  
24 million eight hundred thousand acres. The national feed

1 grain acreage allotment shall be announced by the Secretary  
2 not later than November 1 preceding the year for which the  
3 allotment is determined.

4 “(d) The Secretary through the State and local com-  
5 mittees shall apportion the national feed grain acreage allot-  
6 ment among farms on the basis of the average acreage planted  
7 to feed grains and diverted from the production of feed grains  
8 under agricultural adjustment and conservation programs dur-  
9 ing the years 1955, 1956, and 1957, and on the basis of  
10 tillable acreage, crop-rotation practices, type of soil, and  
11 topography, with adjustments for abnormal weather condi-  
12 tions in the local areas involved and for the promotion of  
13 soil conservation practices.

14 “(e) The farm feed grain allotment for any farm for  
15 1959, 1960, and 1961 shall be the allotment as determined  
16 in accordance with the foregoing provisions less the number  
17 of acres, if any, by which the producers on the farm agree,  
18 pursuant to the provisions of the Feed Grains Act of 1958, to  
19 reduce their acreage below their allotment as determined  
20 by the foregoing provisions: *Provided*, That for 1959, 1960,  
21 and 1961 the ratio of the farm feed grain allotment to the  
22 farm feed grain base shall be the same as the ratio of the  
23 national feed grain allotment to the national feed grain base.

24 “(f) The Secretary through the State and local com-  
25 mittees shall apportion not to exceed one hundred thousand



1 acres among farms on which feed grains have not been pro-  
2 duced during any of the years 1955, 1956, and 1957 on  
3 the basis of tillable acres on the farm, type of soil, topography,  
4 taking into consideration the acreage devoted to feed grain  
5 production on adjacent farms during the years 1955, 1956,  
6 and 1957. The acreage so apportioned shall be part of  
7 the national acreage allotment of feed grains.”

#### 8 DEFINITIONS

9 SEC. 705. Section 301 of the Agricultural Adjustment  
10 Act of 1938, as amended, is amended—

11 (a) by amending subsection (a), paragraph (9),  
12 to read as follows:

13 “(9) The term ‘corn’ means field corn raised for grain,  
14 forage, or silage.”;

15 (b) by adding at the end of subsection (a) two  
16 new paragraphs as follows:

17 “(10) The term ‘sorghums’ means all sorghums raised  
18 for grain, forage, or silage.”;

19 “(11) The term ‘feed grains’ means the commodities  
20 corn and sorghum.”;

21 (c) by amending subsection (b), paragraph (1),  
22 subparagraph (A), to read as follows:

23 “(A) ‘Actual production’ as applied to any acreage of  
24 feed grains means the actual average yield for the farm times  
25 such number of acres. For the purposes of determining

1 actual production the 'actual yield' of any acreage of feed  
2 grains shall be the actual average yield of the acreage of  
3 feed grains on the farm.”;

4 (d) by striking out in subsection (b), paragraph  
5 (6), subparagraph (A), the word “corn” wherever it  
6 appears and inserting in lieu thereof the words “feed  
7 grains”;

8 (e) by adding at the end of subsection (b), para-  
9 graph (7), the language “Feed grains, July 1–June  
10 30.”;

11 (f) by striking out in subsection (b), paragraph  
12 (9), the word “corn” and inserting in lieu thereof the  
13 words “feed grains”; and

14 (g) by adding at the end of subsection (b), para-  
15 graph (13), a new subparagraph (H) as follows:

16 “(H) ‘Normal yield’ for any farm in the case of feed  
17 grains shall be the average yield per acre of feed grains for  
18 the farm during the calendar years 1955, 1956, and 1957,  
19 adjusted for abnormal weather conditions in the local areas  
20 involved. If for any such year the data are not available or  
21 there is no actual yield then the normal yield for the farm  
22 shall be appraised in accordance with regulations issued by

1 the Secretary, taking into consideration abnormal weather  
2 conditions as aforesaid, the yield obtained on adjacent farms  
3 during such year and the yield in years for which the data  
4 are available. Where both corn and sorghums have been  
5 produced on the same farm during such three-year period  
6 a separate normal yield shall be established for corn and for  
7 sorghums on the basis of the applicable factors in the pre-  
8 ceding sentences of this subparagraph and the normal yield  
9 for the farm shall be determined by computing the average  
10 of the corn and sorghums yields so determined weighted by  
11 the actual acreages of corn and sorghums on the farm for  
12 the year for which the normal yield is determined. Where  
13 there is no acreage of feed grains on the farm for the year  
14 for which the yield is determined, the normal yield for  
15 such a farm shall be the average of the normal yields for  
16 corn and sorghums weighted by the acreages which it is  
17 determined by the county committee were contributed to  
18 the farm acreage allotment of feed grains for such year by  
19 the production in prior years of corn and sorghums.”

20 SEC. 706. The Agricultural Adjustment Act of 1938,  
21 as amended, is amended—

22 (a) by striking out in section 361 the word “corn”



1 and inserting in lieu thereof the words "feed grains";

2 (b) by striking out the word "corn" wherever it  
3 appears and by inserting in lieu thereof in section 371,  
4 subsections (a) and (b) the words "feed grains,";

5 (c) by adding in section 372, subsection (a), im-  
6 mediately following the word "cotton," the words "feed  
7 grains,";

8 (d) by striking out in section 373, subsections (a)  
9 and (b), the word "corn," wherever it appears, and  
10 inserting in lieu thereof the words "feed grains,";

11 (e) by striking out in section 374, subsection (a),  
12 the word "corn," and inserting in lieu thereof the  
13 words "feed grains,"; and

14 (f) by adding in section 374, subsection (c),  
15 immediately following the word "commodity", the  
16 words "or feed grains".

17 (g) by striking out in section 375, subsection (a),  
18 the word "corn" and inserting in lieu thereof the words  
19 "feed grains".

20 SEC. 707. The Agricultural Adjustment Act of 1938 as  
21 amended, is amended by adding a new section 323 as  
22 follows:

## 1           “AMOUNT OF FARM MARKETING QUOTAS

2           “SEC. 323. The farm marketing quota for any crop of  
3 feed grains shall be the actual production of feed grains on the  
4 farm less the normal production of the acreage planted to  
5 feed grains on the farm in excess of the farm acreage allot-  
6 ment. The normal production from such excess acreage shall  
7 be known as the ‘farm marketing excess’: *Provided*, That  
8 the farm marketing excess shall not be larger than the amount  
9 by which the actual production of feed grains on the farm  
10 exceeds the normal production of the farm acreage allotment  
11 if the producer establishes such actual production to the satis-  
12 faction of the Secretary.”

13          SEC. 708. The Agricultural Adjustment Act of 1938, as  
14 amended, is amended by adding a new section 324 as  
15 follows:

## 16                           “PENALTIES

17          “SEC. 324. (a) Whenever farm marketing quotas are  
18 in effect with respect to any crop of feed grains, the producer  
19 shall be subject to a penalty on the farm marketing excess  
20 at the rate of \$1 per bushel.

21          “(b) The farm marketing excess of feed grains shall be  
22 regarded as available for marketing and the amount of pen-

1 alty shall be computed upon the normal production of the  
2 acreage on the farm planted to feed grains in excess of the  
3 farm acreage allotment. If a downward adjustment in the  
4 amount of the farm marketing excess is made pursuant to the  
5 proviso in section 323, the difference between the amount of  
6 the penalty computed upon the farm marketing excess before  
7 such adjustment and as computed upon the adjusted market-  
8 ing excess shall be returned to or allowed the producer.

9 “(c) The person liable for payment or collection of  
10 the penalty shall be liable also for interest thereon at the  
11 rate of 6 per centum per annum from the date the penalty  
12 becomes due until the date of payment of such penalty.

13 “(d) Until the penalty on the farm marketing excess  
14 is paid, all feed grain produced on the farm and marketed  
15 by the producer shall be subject to the penalty provided  
16 by this section and a lien on the entire crop of feed grains  
17 produced on the farm shall be in effect in favor of the United  
18 States.

19 “(e) A farm marketing quota on feed grains shall not  
20 be applicable to any farm on which the acreage planted  
21 to feed grains does not exceed the highest acreage planted



1 to feed grains during the years 1955, 1956, and 1957, but  
2 not in excess of thirty acres unless the feed grain producers  
3 on the farm apply to reduce the acreage of feed grains on  
4 the farm pursuant to the provisions of the Feed Grains Act  
5 of 1958.

6 “(f) Producers who knowingly and falsely certify as to  
7 their eligibility to vote in the referendum conducted pursu-  
8 ant to subtitle II of the Feed Grains Act of 1958 shall be  
9 guilty of a misdemeanor and upon conviction shall be fined  
10 not less than \$100 nor more than \$500.”

11 SEC. 709. This subtitle shall become inoperative if more  
12 than 50 per centum of the producers voting on part I of the  
13 ballot in the referendum provided for in subtitle II of this  
14 title favor no program on feed grains for the years 1959,  
15 1960, and 1961, or if more than 50 per centum of the pro-  
16 ducers voting on part II of the ballot in such referendum  
17 favor the program provided for in subtitle IV of this title.

18 SUBTITLE II—NATIONAL REFERENDUM

19 SEC. 710. Not later than December 15, 1958, the  
20 Secretary shall conduct a referendum of producers on farms

1 for which a 1959 feed grain base of more than thirty acres  
2 has been established.

3 Producers on farms for which a feed grain base of  
4 thirty acres or more has been established by the Secretary  
5 pursuant to this title shall be eligible to vote in the refer-  
6 endum conducted pursuant to this subtitle: *Provided*, That  
7 producers of any one of the crops of oats, or rye, or barley  
8 shall be eligible to vote in the referendum conducted pursuant  
9 to this subtitle if such producers certify in writing to the  
10 Secretary that they have devoted an average of thirty acres  
11 during 1955, 1956, and 1957 to the production of any one  
12 of the crops of oats, or rye, or barley. Such referendum shall  
13 be held to determine for the 1959, 1960, and 1961 crops  
14 of feed grains (1) whether such producers favor any price  
15 support program for feed grains, and (2) whether they favor  
16 the price support program as provided for in subtitle III  
17 hereof or whether they favor the price support program pro-  
18 vided for in subtitle IV hereof. If more than 50 per centum  
19 of the eligible producers voting in such referendum favor  
20 a price support program for feed grains, and if more than

1 50 per centum of such eligible producers favor the program  
2 set forth in subtitle III of this title, subtitle III shall  
3 become operative. If more than 50 per centum of the  
4 eligible producers voting in such referendum favor a price  
5 support program for feed grains and if more than 50 per  
6 centum of such eligible producers favor the program set  
7 forth in subtitle IV of this title, subtitle IV shall become  
8 operative.

9 SEC. 711. The following form of ballot shall be used in  
10 conducting such referendum:





## FEED GRAIN REFERENDUM BALLOT

REGARDING CORN AND GRAIN SORGHUMS PROGRAM FOR 1959, 1960, AND  
1961

### PART I

Public Law —, "The Feed Grains Act of 1958," provides that the United States Department of Agriculture conduct a referendum among the eligible producers of corn and grain sorghums to determine whether a majority of the producers of such grains voting in the referendum favor a price support program for these grains as set out in part II of this ballot.

Vote by checking one or the other:

- (1) I vote for "A program of price support." ☐  
(2) I vote for "No program." ☐

If a majority of those voting on part I have voted in favor of "no program" as submitted above, the vote on part II shall be of no effect.

If a majority of those voting on part I have voted in favor of "a program of price support," as submitted above, the Secretary shall carry out the program below which receives a majority of the votes cast on part II.

(VOTE IN PART II REGARDLESS OF HOW YOU VOTED IN PART I IF YOU  
SO DESIRE)

### PART II

Public Law — also requires that in the referendum a determination be made as to which of the programs indicated below is favored by a majority of the producers voting on this part II.

Vote by checking one or the other:

- (1) I vote for "A program" as established by subtitle III of the Act. ☐  
(2) I vote for "A program" as established by subtitle IV of the Act. ☐





1        SEC. 712. If more than 50 per centum of the producers  
2 voting on part I of the ballot in the referendum favor no  
3 price support program for feed grains, no acreage allotments  
4 or marketing quotas shall be in effect for the 1959, 1960, and  
5 1961 crops of feed grains and no price support shall be made  
6 available for such crops of feed grains.

7        SUBTITLE III—ACREAGE CONTROLS, PAYMENTS TO PRO-  
8        DUCERS, AND PRICE SUPPORT AT 80 PER CENTUM OF  
9        PARITY

10       SEC. 713. If more than 50 per centum of the producers  
11 voting on part I of the ballot in the referendum held pur-  
12 suant to subtitle II vote in favor of a price support pro-  
13 gram for feed grains and more than 50 per centum of the  
14 producers voting on part II of the ballot in such referendum  
15 favor the price support program as provided in this subtitle—

16            (a) acreage allotments and marketing quotas shall  
17            be in effect for feed grains as provided for in subtitle I  
18            hereof;

19            (b) the producers on a farm for which the 1959,  
20            1960, and 1961 feed grain allotment computed without  
21            regard to the provisions of section 322 (e) of the Agri-  
22            cultural Adjustment Act of 1938, as amended (herein-

1 after referred to as the "computed acreage allotment")  
2 is thirty acres or more may, at their election, reduce their  
3 acreage of feed grains in an amount not to exceed 50 per  
4 centum of their farm feed grain base and receive compen-  
5 sation therefor as hereinafter provided. Also the pro-  
6 ducers on a farm for which the 1959, 1960, and 1961  
7 feed grain computed acreage allotment is less than thirty  
8 acres may, at their election, apply to reduce their acre-  
9 age of feed grains below their farm feed grain base by  
10 not less than 20 per centum up to 100 per centum of  
11 their farm feed base and receive compensation for such  
12 reduction, in which event the provisions of subtitle I  
13 hereof shall apply to such farm as fully as if such farm  
14 had a computed acreage allotment of more than thirty  
15 acres;

16 (c) producers on a farm for which the 1959, 1960,  
17 and 1961 computed acreage allotment is thirty acres or  
18 more and the producers on a farm for which the 1959,  
19 1960, and 1961 computed acreage allotment is less than  
20 thirty acres who elect to reduce their acreage of feed  
21 grains pursuant to subsection (b) above, shall be com-  
22 pensated for reducing their 1959, 1960, and 1961 acre-  
23 age of feed grains below their farm feed grain base and  
24 for diverting the same acres to the farm conservation  
25 base. To be eligible for such compensation the producer

(1) shall not exceed his farm feed grain allotment, (2) shall increase his farm conservation base by an acreage equal to the number of acres by which he reduces his feed grains below his farm feed grain base, (3) shall carry out a conservation practice, approved by the Secretary, on an acreage equal to the number of acres by which he reduces his feed grains below his farm feed grain base, and (4) shall neither harvest nor pasture any acreage so diverted: *Provided*, That nothing in this title shall be construed to impair the eligibility of any acres diverted under this title for payments under the Agricultural Conservation Payment Program. The amount of such compensation shall be determined by multiplying the number of acres of feed grains diverted from the farm feed grain base to the farm conservation base pursuant to this title by 66 per centum of the normal yield of feed grains established for the farm by 80 per centum of the parity price of corn. Such compensation shall be paid as follows:

(1) for 1959 not more than 50 per centum, and for 1960 and 1961 not less than 50 per centum of such compensation shall be paid through negotiable certificates, and which the Commodity Credit Corporation shall redeem in corn, sorghum, oats, rye, or barley in accordance with regulations prescribed by the Secretary: *Provided*,



1 That if the Commodity Credit Corporation does not have  
2 sufficient stocks of such grains or if it is not practicable  
3 to redeem any such certificates in such grains, the cer-  
4 tificates shall be redeemed in cash, and

5 (2) the remainder of such compensation shall be  
6 paid through negotiable certificates redeemable in cash.  
7 Notwithstanding any provision hereof the total amount  
8 of compensation shall not exceed the equivalent of \$75  
9 per acre.

10 The facts constituting the basis for any compensation  
11 or the amount thereof authorized to be made under this  
12 section when officially determined in conformity with  
13 applicable regulations prescribed by the Secretary shall  
14 be final and conclusive. The Secretary shall prescribe  
15 such regulations as he determines necessary to carry out  
16 the provisions of this section;

17 (d) the level of price support for the 1959, 1960,  
18 and 1961 crop of feed grains shall be 80 per centum of  
19 parity;

20 (e) For such period price supports shall be made  
21 available for oats, rye, and barley at such level as the  
22 Secretary determines is fair and reasonable in relation  
23 to the level at which price support is made available  
24 for corn, taking into consideration the feeding value of  
25 such commodity in relation to corn, the normal price

relationship between such commodity and corn, the location and storability of the commodity, and other relevant factors.

(f) no producer shall be eligible for price support on any commodity for any year in which the planted acreage of feed grains on the farm exceeds the farm feed grain allotment, except that this provision shall not apply in the case of any commodity with respect to which the Secretary determines is impracticable to apply such provision. For the purpose of this subsection, a producer shall not be deemed to have exceeded his farm feed grain allotment unless such producer knowingly exceeded such allotment.

#### SUBTITLE IV—PRICE SUPPORTS BASED ON PREVIOUS WEIGHTED THREE-YEAR MARKET

SEC. 714. If more than 50 per centum of the producers voting on part I of the ballot in the referendum favor a price support program for feed grains, and more than 50 per centum of the producers voting on part II of the ballot in such referendum favor the program as provided for in this subtitle—

(a) For the 1959, 1960, and 1961 crops of corn, the level of price support shall be 90 per centum of the average prices during the three calendar years immediately preceding the calendar year in which the

1 marketing year for such crop begins. The average shall  
2 be determined upon the basis of the prices received by  
3 farmers.

4 (b) For 1959, 1960, and 1961, price support shall  
5 be made available for oats, rye, barley, and grain sor-  
6 ghums at such level as the Secretary of Agriculture de-  
7 termines is fair and reasonable in relation to the level  
8 at which price support is made available for corn, taking  
9 into consideration the feeding value of such commodity  
10 in relation to corn, the normal price relationship between  
11 such commodity and corn, the location and storability  
12 of the commodity, and other relevant factors.

13 SUBTITLE V—GENERAL PROVISIONS

14 SEC. 715. If any provision of this title is declared un-  
15 constitutional, or the applicability thereof to any person,  
16 circumstance, or commodity is held invalid, the validity of  
17 the remainder of this title and the applicability thereof to  
18 other persons, circumstances, or commodities shall not be  
19 affected thereby.

20 SEC. 716. The Secretary is authorized to utilize the fa-  
21 cilities, funds, services, and authorities of the Commodity  
22 Credit Corporation in carrying out the provisions of this title.



## TITLE VIII—MISCELLANEOUS

SEC. 801. The Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 377 the following new section:

“SEC. 378. (a) Notwithstanding any other provision of this Act, the allotment determined for any commodity for any land from which the owner is displaced because of acquisition of the land for any purpose by any Federal, State, or other agency having the right of eminent domain shall be place in an allotment pool and shall be available only for use in providing allotments for other farms owned by the owner so displaced. Upon application to the county committee, within three years after the date of such displacement, or three years after the enactment of this Act, whichever period is longer, any owner so displaced shall be entitled to have established for other farms owned by him allotments which are comparable with allotments determined for other farms in the same area which are similar except for the past acreage of the commodity, taking into consideration the land, labor, and equipment available for the production of the commodity, crop-rotation practices, and the soil and other physical factors affecting the production of the commodity: *Provided*, That the acreage used to establish or increase the allotments for such farms shall be transferred from the pool and shall not exceed the allot-

1 ment most recently established for the farm acquired from  
2 the applicant and placed in the pool. During the period  
3 of eligibility for the making of allotments under this section  
4 for a displaced owner, acreage allotments for the farm  
5 from which the owner was so displaced shall be established  
6 in accordance with the procedure applicable to other farms,  
7 and such allotments shall be considered to have been fully  
8 planted. After such allotment is made under this section,  
9 the proportionate part, or all, as the case may be, of the  
10 past acreage used in establishing the allotment most recently  
11 placed in the pool for the farm from which the owner was  
12 so displaced shall be transferred to and considered for the  
13 purposes of future State, county, and farm acreage allot-  
14 ments to have been planted on the farm to which allotment  
15 is made under this section. Except where paragraph (c)  
16 requires the transfer of allotment to another portion of the  
17 same farm, for the purpose of this section (1) that part of  
18 any farm from which the owner is so displaced and that  
19 part from which he is not so displaced shall be considered  
20 as separate farms; and (2) an owner who voluntarily  
21 relinquishes possession of the land subsequent to its acqui-  
22 sition by an agency having the right of eminent domain shall  
23 be considered as having been displaced because of such  
24 acquisition.

25 “(b) The provisions of this section shall not be ap-

1 plicable if (1) there is any marketing quota penalty due  
2 with respect to the marketing of the commodity from the  
3 farm acquired by the Federal, State, or other agency or  
4 by the owner of the farm; (2) any of the commodity pro-  
5 duced on such farm has not been accounted for as required  
6 by the Secretary; or (3) the allotment next established  
7 for the farm acquired by the Federal, State, or other agency  
8 would have been reduced because of false or improper  
9 identification of the commodity produced on or marketed  
10 from such farm or due to a false acreage report.

11 “(c) This section shall not be applicable, in the case of  
12 cotton, tobacco, and peanuts, to any farm from which the  
13 owner was displaced prior to 1950, in the case of wheat and  
14 corn, to any farm from which the owner was displaced prior  
15 to 1954, and in the case of rice, to any farm from which the  
16 owner was displaced prior to 1955. In any case where the  
17 cropland acquired for nonfarming purposes from an owner  
18 by an agency having the right of eminent domain represents  
19 less than 15 per centum of the total cropland on the farm,  
20 the allotment attributable to that portion of the farm so  
21 acquired shall be transferred to that portion of the farm not so  
22 acquired.”

23 “(d) Sections 313 (h), 334 (d), 344 (h), and 358  
24 (h) of the Agricultural Adjustment Act of 1938, as  
25 amended, are repealed, but any transfer or reassignment of



1 allotment heretofore made under the provisions of these sec-  
2 tions shall remain in effect, and any displaced farm owner  
3 for whom an allotment has been established under such re-  
4 pealed sections shall not be eligible for additional allotment  
5 under subsection (a) of this section because of such displace-  
6 ment.”

7       SEC. 802. Section 405 of the Agricultural Act of 1949  
8 is amended by adding at the end thereof the following:  
9 “There is authorized to be included in the terms and condi-  
10 tions of any such nonrecourse loan a provision whereby on  
11 and after the maturity of the loan or any extension thereof  
12 Commodity Credit Corporation shall have the right to ac-  
13 quire title to the unredeemed collateral without obligation to  
14 pay for any market value which such collateral may have in  
15 excess of the loan indebtedness.”



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## A BILL

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To extend and amend the Agricultural Trade Development and Assistance Act of 1954; to amend the Agricultural Adjustment Act of 1938, the Agricultural Act of 1949, and the National Wool Act of 1954 with respect to acreage allotment and price support programs for rice, cotton, wool, wheat, milk, and feed grains and for other purposes.

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By Mr. COOLEY

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JUNE 16, 1958

Referred to the Committee on Agriculture







June 17, 1958

14. TRANSPORTATION TAX. Sen. Smathers stated he would offer an amendment to the corporation and excise tax extension bill, to repeal the tax on the transportation of freight, and listed States which urged its repeal. p. 10320
15. RESEARCH. Sen. Morse inserted various articles from medical researchers protesting against articles he had inserted in the Congressional Record in 1957 from anti-vivisection groups, and discussing the value of certain animal experiments. pp. 10320-3
16. NATIONAL FLOWER. Sen. Humphrey inserted five resolutions urging that the corn tassel be designated the national flower. pp. 10293-4
17. VEGETABLES. Sens. Potter, Holland, and Sparkman extolled the virtues of Michigan apple vinegar, Florida grapefruit, and Alabama watercress, which are to be placed in a special Senate salad for luncheon Wed., June 18. pp. 10315-16
18. ELECTRIFICATION; RECLAMATION. Sen. Morse inserted a press release by James Marr, president of the National Hells Canyon Association, "making clear that the fight for the full development of the Columbia and Snake Rivers is far from over." p. 10326  
Sen. Morse inserted a resolution from citizens of Seattle, Wash., "who show great concern in regard to the Snake River project." p. 10324
19. FOREIGN AID. Sen. Morse inserted a letter from the Assoc. Director of the Quaker Program at the United Nations discussing provisions of the mutual security authorization bill, and urging support for a provision that the U. S. contribution to the U. N. technical assistance program be stabilized for several years at 40 percent of the total contributions. pp. 10327-328  
Sen. Morse spoke in support of increased U. S. contributions to the U. N. technical assistance program, and inserted a telegram favoring such support. pp. 10326-327
20. STATEHOOD. Sen. Stennis spoke in opposition to legislation authorizing statehood for Alaska, and favored "a substitute bill to grant a higher degree of self-government with Territorial status." p. 10329
21. FOREIGN TRADE. Sen. Humphrey inserted several articles discussing the "growing economic offensive of the Soviet Union." pp. 10336-343
22. 4-H CLUBS. Sen. Kefauver paid tribute to the work of the 4-H Clubs. p. 10351
23. ECONOMIC CONDITIONS. Sen. Martin, Pa., discussed current economic conditions, and opposed increased Federal spending as a remedy for the situation. pp. 10398-399

#### ITEMS IN APPENDIX

24. FOREIGN AID. Extension of remarks of Sen. Johnson inserting an editorial describing effects of the mutual security program on the State of Texas. p. A5501
25. DAIRY INDUSTRY. Extension of remarks of Sen. Wiley commending the dairy organizations for their "outstanding contributions" in making June Dairy Month a success. pp. A5501-2



Sen. Wiley inserted 2 articles citing new research projects approved by the American Dairy Ass'n. p. A5508

Rep. Van Pelt inserted an editorial portraying the importance of the dairy industry in Wis. p. A5551

26. EDUCATION. Sen. Thurmond commended and inserted Asst. Secretary Peterson's Clemson College S. C., commencement address on the subject of education in a free society. pp. A5502-4
27. TEXTILES. Sen. Sparkman inserted a letter discussing some of the problems facing the textile industry in Ala. p. A5510
28. LANDS. Extension of remarks of Sen. Bennett inserting an article, "Do the Armed Forces Need a 35-Million-Acre Empire?," and stating that to some extent, the problem of military land withdrawals may be solved by a recently approved law limiting executive withdrawals of land without congressional approval to 5,000 acres. pp. A5511-2
29. COTTON. Sen. Talmadge inserted an editorial urging approval of his proposed bill to freeze cotton acreage allotments at 1956 levels. pp. A5513-4
30. FEED GRAINS. Rep. Poage inserted a questions and answers statement explaining the feed grains section of the comprehensive farm bill, and stating that "we hope it will result in a better understanding of the detailed operations of this portion of the bill." pp. A5555-7

#### BILLS INTRODUCED

31. FARM PROGRAM. H. R. 12954, as introduced June 16 following study by the Agriculture Committee, would be "The Agricultural Act of 1958." It includes provisions as follows:

Extends the Agricultural Trade Development and Assistance Act for 1 year; increases the amount by \$1½ billion; directs an expanded barter program; and authorizes use of Public Law 480 foreign currencies for sites and buildings abroad, trade fair participation and related activities, translation (and related activities) of foreign scientific publications, the educational exchange program, and operation of American colleges and other schools in foreign countries. Provides that any provision of Public Law 480 or of Sec. 32 of the act of 1935 may be extended by the President to any area under U. S. control. Provides for rice price supports at 75% to 90% of parity for 1959, 1960, and 1961, and continues allotments at the 1958 level for those years. Permits farmers to vote on alternative provisions for cotton price supports. Continues the National Wool Act of 1954 from March 31, 1959, until March 31, 1962. Provides for a two-price wheat system. Provides for a self-help dairy program. Continues the special school milk program, and the programs for donation of dairy products to the armed services and veterans' hospitals for 3 additional years, and extends the donation program to the U.S. Merchant Marine Academy. Strikes out the provision that price supports be fixed at a level "necessary in order to assure an adequate supply." Suspends corn allotments for 1959, 1960, and 1961, and provides for farmers to vote on a new feed grains program. Provides for acreage allotments, for land acquired under eminent domain, to be placed in a pool for providing allotments to displaced farmers. Authorizes inclusion, in terms and conditions of any nonrecourse commodity loan, of a provision whereby, upon maturity, CCC may acquire title without obligation to pay for any market value in excess of the indebtedness.







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 20, 1958

For actions of June 19, 1958

85th-2d, No. 101

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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HIGHLIGHTS: House committee reported omnibus farm bill. House committee ordered reported bill to authorize training for Federal employees at outside facilities.

## HOUSE

1. FARM PROGRAM. The Agriculture Committee reported without amendment H. R. 12954, the omnibus farm bill. See Digest 99 for a summary of this bill. (H. Rept 1939). p. 10679
2. PERSONNEL. The Post Office and Civil Service Committee ordered reported with amendment S. 385, to authorize the training of Federal employees at public or private facilities. p. D567
3. WEATHER CONTROL. Passed as reported S. 86, to provide a weather modification research program under the direction of the National Science Foundation. pp. 10648-649, 10665-670
4. ROADS. The Public Works Committee reported without amendment H. R. 12776, to revise and codify title 23 of the U. S. Code, entitled "Highways" (H. Rept. 1938). p. 10679
5. MINERAL LEASES. The Interior and Insular Affairs Committee reported with amendment S. 2069, to amend the Mineral Leasing Act so as to promote the development of coal on the public domain (H. Rept. 1936). p. 10679



6. CHEMICAL ADDITIVES. The Interstate and Foreign Commerce Committee ordered <sup>reported</sup> without amendment H. R. 9521, to amend the Federal Food, Drug, and Cosmetic Act so as to revise the definition of the term "chemical additive" to provide that it shall not include any pesticide chemicals when used in or on any raw agricultural commodity which is produced from the soil. p. D567
7. APPROPRIATIONS. Passed with amendments, 361 to 18, H. R. 12858, making appropriations for civil functions administered by the Army, Interior, and TVA (includes appropriations for the Bureau of Reclamation, Bonneville Power Administration, Southeastern Power Administration and Southwestern Power Administration). pp. 10634-647
8. FOREIGN AID. Consent was granted until Friday night, June 20, for conferees to file a report on H. R. 12181, the mutual security authorization bill. p. 10673
9. WATERMELONS. Rep. Matthews expressed concern at the high retail price of watermelons, stating that they are retailing in D. C. at 5 cents a pound whereas the farmers in his district receive only one-fourth cent to one cent a pound. p. 10672
10. RESEARCH. Received from the National Science Foundation a proposed bill "to authorize the expenditure of funds through grants for support of scientific research and for other purposes"; to Interstate and Foreign Commerce Committee. p. 10679
11. LEGISLATIVE PROGRAM. Rep. McCormack announced that the conference report on H. R. 12181, the mutual security authorization bill, will be considered Tues., June 24, followed later in the week by H. R. 12954, the omnibus farm bill, if a rule is granted on it, and H. R. 4504, to improve marketing facilities for perishable commodities. p. 10654
12. ADJOURNED until Mon., June 23. p. 10679

SENATE

13. TAXATION. Continued debate on H. R. 12695, to extend for 1 year the corporate normal-tax rate and certain excise-tax rates. (pp. 10563-8, 10578-619). Agreed to, 59-25, an amendment by Sen. Smathers to repeal the transportation tax (pp. 10586-605).
14. FOREIGN AID. The Banking and Currency Committee ordered reported with amendment S. Res. 264, to establish an International Development Association in cooperation with the International Bank for Reconstruction and Development. p. D565
15. HOUSING. Sen. Sparkman reported for the Banking and Currency Committee an original bill without amendment S. 4035, the Housing Act of 1958. He stated that the bill would extend the program for farm housing research for 3 years, and authorize appropriations for each of the 3 years of \$100,000. pp. 10621-624 (S. Rept. 1732).  
Sen. Capehart submitted amendments he intends to propose to S. 4035, and a statement in explanation of the effects of the amendments. pp. 10625-631
16. FLOOD CONTROL. Conferees were appointed on S. 3910, the rivers and harbors and flood control authorization bill. House conferees have not yet been appointed. pp. 10571-578

## THE AGRICULTURAL ACT OF 1958

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JUNE 19, 1958.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. COOLEY, from the Committee on Agriculture, submitted the following

### R E P O R T

[To accompany H. R. 12954]

The Committee on Agriculture, to whom was referred the bill (H. R. 12954) to extend and amend the Agricultural Trade Development and Assistance Act of 1954; to amend the Agricultural Adjustment Act of 1938, the Agricultural Act of 1949, and the National Wool Act of 1954 with respect to acreage allotment and price-support programs for rice, cotton, wool, wheat, milk, and feed grains; and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

### MAJOR PROVISIONS

H. R. 12954 extends for 1 year the Agricultural Trade Development and Assistance Act, more commonly known as Public Law 480, and authorizes sale of an additional \$1.5 billion in farm products. It also directs an expanded barter program. It authorizes use of foreign currencies, obtained in the sale abroad of agricultural commodities, for sites and buildings abroad, trade fair participation and related activities, translation of foreign scientific publications, an expanded educational exchange program, public health activities, and operation of American colleges and other schools in foreign countries.

For the various commodities:

*Rice.*—Permits the Secretary of Agriculture in 1959, 1960, and 1961 to set the rice support price at his own discretion at any level between 75 and 90 percent of parity, without reference to the so-called escalator clause, which ties the support level to supply and demand factors. It provides that the national rice acreage allotment in the next 3 years shall not be smaller than the 1958 allotment.

*Cotton.*—Sets up a new 3-year program providing national acreage allotments in 1959, 1960, and 1961 at no less than the requirements



for domestic consumption and export (approximately 17,700,000 acres in 1959), and authorizes each cotton farmer a choice between (a) remaining within his original allotment and receiving price supports in 1959 at the 1958 level, in 1960 at 80 percent of parity, and in 1961 at 75 percent of parity, or (b) planting up to 33½ percent above his original allotment and receiving price supports on all the cotton he produces at not less than 60 percent of parity, the exact level to be determined by the Secretary. The 4-acre minimum allotment provisions of the present law would be continued.

*Wool.*—Continues the National Wool Act until March 31, 1962.

*Wheat.*—Permits wheat producers to vote on whether they want to continue the present program or adopt for 1959, 1960, and 1961 a domestic parity program in which farmers would be assured of reasonable prices on that part of their crop which is consumed as human food in the United States.

*Milk.*—Permits dairy farmers to choose between the present support program and a new 3-year self-financing program based on 90 percent of parity for manufacturing milk. Continues the special school milk program, and the programs for donation of dairy products to the armed services and veterans' hospitals for 3 additional years, and extends the donation program to the United States Merchant Marine Academy. Strikes out the provision of present law that price supports be fixed at a level "necessary in order to assure an adequate supply."

*Corn and other feed grains.*—Provides a solution of the feed grain problem whereby producers are given the choice whether they want to discard all supports and acreage allotments or, for the next 3 years, accept either one of the following programs: (a) Price supports for corn and sorghum at 80 percent of parity; acreage controls and marketing quotas and cross-compliance; payments in kind and in cash for diverting corn and sorghum acreage to land conserving uses; oats, rye, and barley price supports related to price support of corn, or (b) price supports for corn at 90 percent of the previous 3-year weighted market price; no acreage allotments or marketing quotas, no payments in kind or in cash; sorghum, oats, rye, and barley price supports related to the support price of corn.

#### STATEMENT

The purpose of H. R. 12954 is to perpetuate food and fiber abundance in America, at reasonable costs to consumers, and to accomplish for the producers of this food and fiber a fairer relationship of income and living standards with the other great segments of our economy and society.

This legislation is based on the proposition that any program for agriculture must be fair to farmers and consumers alike. It proposes substantial savings to taxpayers, by reducing the costs of farm program operations.

It seeks to strengthen the family farm and thereby arrest the migration of farm people to the cities where they are adding to the rolls of unemployed and are competing for jobs with the established labor supply.

It will enable our Government to share our food and fiber abundance more beneficially with friendly peoples the world over, by the exten-

sion and expansion of the Agricultural Trade Development and Assistance Act, more commonly known as Public Law 480. It will make friends for America.

It assures a continuation of the school milk program, and the milk programs for veterans' hospitals and for the armed services.

It carries forward the vital program making our abundant foods available to our needy citizens in the United States.

H. R. 12954 will improve the income of producers of a number of major crops, although it does not restore a full parity position to agriculture such as prevailed for 11 consecutive years, 1942-52 inclusive. It has been written in the shadows of Presidential vetoes. The first veto rejected H. R. 12 of the 84th Congress which sought to restore 90 percent of parity to major crops. The second veto voided Senate Joint Resolution 162 of the 85th Congress which had as its objective merely a holding of the line against further price deterioration and acreage reductions until the Congress could enact new general farm legislation.

This bill, therefore, represents a compromise between the administration's policy of constantly lowering farm prices on the one hand and, on the other, the often expressed objective of the Congress to maintain agriculture on a parity with other areas of the general economic structure. While it does not bring back a completely equitable price position for agriculture, it rejects the administration's proposition that the Secretary of Agriculture be given a completely free hand to reduce price supports as low as 60 percent of parity, where now the legal minimum is 75 percent of parity.

A new approach to the farm problem is embraced in this measure. It aspires to the stabilization of the agricultural economy by treatment of each major crop in a separate program, and in this respect the committee is convinced H. R. 12954 lays a solid foundation for improving the bargaining power and the economic position of agriculture, and for the construction of a true parity program at a time in the future when the administration, and all the organizations entitled to speak for farmers, are of one mind with the Congress to turn agriculture again in the direction of a production and price position that will provide due rewards for the farm families that have contributed so much to making America's standard of living the envy of the world.

#### THE FARMER

The committee, in presenting H. R. 12954 points out to the House and to the American people that our total population consumed 11 percent more farm-produced foods, including more meats and other animal products, in 1957 than in 1952, yet our farmers received \$600 million less for that larger volume of production in 1957 than for the more limited volume in 1952. And, in contrast, consumers paid food processors and marketing middlemen \$6.1 billion, or 25 percent, more in 1957 than in 1952, for hauling, processing and handling the food between the farm gate and the retail counter.

Thus, in 5 years—comparing 1957 with 1952—we have witnessed these deteriorating circumstances in agriculture:

Total farm production (including fiber and other nonfood crops):  
Up 6 percent in spite of record carryovers.

Farm prices: Down 16 percent.



Farm parity ratio: Down 18 percentage points.

Realized net farm income: Down 19 percent, lowest point since 1942.

Purchasing power of that farm income: Down 23 percent, lowest since 1940.

Farm debt: At a record high, above \$20 billion.

Farm population: Declined 12 percent, from 24,283,000 in 1952 to 20,396,000 in 1957.

In 1952, net income per farm in the United States averaged \$2,789; in 1957, 5 years later, net income per farm had dropped to \$2,496. In contrast the income of the average nonfarm family of 3 persons increased from \$5,499 in 1952 to \$6,135 in 1957.

In 1957, the returns to all farmworkers for their labor and management reached a low of 69 cents an hour, while the average wage of industrial workers reached a high of \$2.07 an hour.

#### THE CONSUMER

In America, the wage earner pays a smaller part of his income for food than in any other place in the world. Notwithstanding the great increases in the costs of transporting, processing and marketing food in recent years, the average hourly pay of factory labor today generally will buy twice as much food as in 1929, prior to the beginning of the farm program.

The following table I, prepared by the Department of Agriculture, sets forth clearly that consumers receiving wages and salaries are required to work fewer and fewer hours to purchase food, as compared with former years:

TABLE I.—Quantity of each item that could be purchased with 1 hour of factory labor, United States, designated dates

| Item                                 | Unit           | 1929 | 1939 | 1949 | 1952 | 1957 | April 1958 |
|--------------------------------------|----------------|------|------|------|------|------|------------|
| Bread, white.....                    | Pound.....     | 6.4  | 8.0  | 10.0 | 10.5 | 11.0 | 11.0       |
| Round steak.....                     | do.....        | 1.2  | 1.8  | 1.6  | 1.5  | 2.2  | 2.0        |
| Pork chops.....                      | do.....        | 1.5  | 2.1  | 1.9  | 2.1  | 2.4  | 2.3        |
| Sliced bacon.....                    | do.....        | 1.3  | 2.0  | 2.1  | 2.6  | 3.6  | 2.7        |
| Butter.....                          | do.....        | 1.0  | 1.9  | 1.9  | 2.0  | 2.8  | 2.9        |
| Cheese.....                          | do.....        | 1.4  | 2.5  | 2.7  | 2.8  | 3.6  | 3.6        |
| Milk, fresh (delivered).....         | Quart.....     | 3.9  | 5.2  | 6.7  | 6.9  | 8.3  | 8.5        |
| Eggs, fresh.....                     | Dozen.....     | 1.1  | 2.0  | 2.0  | 2.5  | 3.6  | 3.6        |
| Oranges.....                         | do.....        | 1.3  | 2.2  | 2.7  | 3.3  | 3.6  | 2.7        |
| Potatoes.....                        | Pound.....     | 17.7 | 25.3 | 25.5 | 22.0 | 36.3 | 25.7       |
| Tomatoes (canned) <sup>1</sup> ..... | No. 2 can..... | 4.4  | 7.4  | 9.2  | 9.5  | 13.8 | 12.0       |
| Margarine.....                       | Pound.....     | 2.1  | 3.9  | 4.5  | 5.7  | 6.9  | 7.1        |

<sup>1</sup> No. 2 can 1914, September 1953; No. 303 beginning October 1954.

Source: Agricultural Marketing Service. Calculated from data compiled from reports of the Bureau of Labor Statistics.

The retail cost of a number of food items rose in the early months of 1958. This in part reflected higher prices at the farm level. The temporary farm price increase primarily was the result of (1) severe winter freezes in the South which destroyed vegetable and fruit crops, (2) the end of 7 years of drought in the Plains States which created a heavy demand for cattle to restock the plains where pasture now is flourishing again, and (3) to the fact that cattle, hog and sheep producers all decided to hold back animals and rebuild their breeding herds in the same year.

Irrespective of the cause, the increased retail costs of meat, vegetable, and fruit items at the retail counter has been reflected in some complaints from consumers. A number of those who complain blame farmers for high food costs.

However, even if these temporary higher prices for some farm products should prevail throughout the year, farmers still would receive a smaller return in 1958 than in 1952 for the basic foods consumed by the average family.

The Department of Agriculture estimates each month, on the basis of current prices at the farm and on the retail counter, the annual costs of the basic items of food for the average family. The reports on this family "market basket" show that, on the basis of prices prevailing during the first 3 months of this year, the farmers will get \$436 in 1958 for all the items in the "basket," a decrease of \$46 from the \$482 received in 1952. However, the consuming family, by the Department's figures, will pay \$1,054 for the "basket" items in 1958, an increase of \$20 over the \$1,034 paid for the same times in 1952. This increase will occur because marketing costs are substantially higher than in 1952, more than offsetting the smaller return received by farmers. The Department computations indicate that the cost of processing and distributing the market basket items has increased from \$552 in 1952 to \$618 in 1958. The items in the "basket" include meat and dairy products, poultry and eggs, bakery and cereals, fruits and vegetables and fats and oils.

The following table II sets forth the family food costs in detail. The figures under the columns headed "first quarter 1958" indicate what the annual costs would be on the basis of the costs prevailing during the first 3 months of this year.

TABLE II.—*Cost of the annual market basket of farm food products for the average family, 1952 and 1st quarter, 1958*

| Item                           | Retail cost |                   | Net farm value |                   | Marketing margin |                   | Farmer's share |                   |
|--------------------------------|-------------|-------------------|----------------|-------------------|------------------|-------------------|----------------|-------------------|
|                                | 1952        | 1st quarter, 1958 | 1952           | 1st quarter, 1958 | 1952             | 1st quarter, 1958 | 1952           | 1st quarter, 1958 |
| Market basket.....             | \$1,034     | \$1,054           | \$482          | \$436             | \$552            | \$618             | Percent        | Percent           |
| Meat products.....             | 290         | 282               | 181            | 161               | 109              | 121               | 47             | 41                |
| Dairy products.....            | 191         | 196               | 101            | 89                | 90               | 107               | 62             | 57                |
| Poultry and eggs.....          | 114         | 98                | 76             | 62                | 38               | 36                | 53             | 46                |
| Bakery and cereals:            |             |                   |                |                   |                  |                   | 66             | 64                |
| All ingredients.....           | 141         | 159               | 33             | 32                | 108              | 127               | 17             | 20                |
| Grain.....                     |             |                   | 24             | 24                |                  |                   |                | 15                |
| All fruits and vegetables..... | 215         | 231               | 70             | 70                | 145              | 161               | 33             | 30                |
| Fresh.....                     | 129         | 141               | 53             | 54                | 76               | 87                | 41             | 38                |
| Fats and oils.....             | 41          | 45                | 13             | 13                | 28               | 32                | 32             | 29                |

Source: Agricultural Marketing Service, June 5, 1958.

The following table III clarifies in additional detail the responsibility of marketing costs in the retail food price structure. As heretofore noted, farmers received \$600 million less for the larger volume of food consumed in 1957 while the marketing costs increased by 25 percent, as compared with 1952.

TABLE III.—*Farm values and food marketing costs—All farm foods consumed by domestic civilians*

[In billions of dollars]

|           | Farm value | Marketing bill | Retail cost |
|-----------|------------|----------------|-------------|
| 1952..... | 20.1       | 24.4           | 44.5        |
| 1953..... | 19.0       | 25.6           | 44.6        |
| 1954..... | 18.3       | 26.6           | 44.9        |
| 1955..... | 18.3       | 27.9           | 46.2        |
| 1956..... | 18.8       | 28.9           | 47.7        |
| 1957..... | 19.5       | 30.5           | 50.0        |

## FARM POLICY—A REVIEW

The farm program came into being when agriculture was bankrupt. This program was based upon the "parity principle." It embodies the computation of prices at which farm commodities should sell to maintain agriculture in a reasonable income relationship with other large segments of the economy. The "parity price" of a farm commodity, thus, is based upon the prices of things farmers must buy—tractors, fuel, fertilizer, seed, insecticides, etc.—and the parity price goes up or down with the prices of these things, fluctuating as do some wage rates in industry that are tied to the cost of living.

To maintain farm prices at reasonable levels, the Government usually makes loans on storable crops at a stipulated percentage of parity, although in some cases direct purchases are made by the Government. For major crops, the price support level was 90 percent of parity from 1942 until the enactment of the "flexible" price-support law in 1954. Here are a few notes on how the program has worked:

**For farmers:** For 11 consecutive years prior to 1953, the average prices paid to farmers were at or above 100 percent of parity. In 1953, farm prices dropped to 92 percent of parity, in 1954 to 89 percent, in 1955 to 84 percent, in 1956 to 83 percent, and in 1957 to 82 percent.

**For consumers:** While this program has operated, American families have had available to them more and better food, for an expenditure of a smaller percentage of their total income, than in any other period of history; and, as heretofore noted, although in recent years retail prices of many foods have increased as farm prices declined, today the average hourly wage of industrial workers will buy twice as much food as in 1929.

**Cost to taxpayers:** The Commodity Credit Corporation supported the prices of major storable crops for 20 years prior to 1953 and, at the end of these 2 decades, this program actually showed a 20-year profit of \$13 million. For the 20 years, the CCC program for all crops, including a number of perishables, showed a loss of only \$1,064 million, and CCC investments in "surpluses" on January 1, 1953 (inventory and loans), amounted to only \$2,452 million.

In contrast, during the past 5 years, due partially to changed economic conditions and partially to the unsympathetic administration of these laws, CCC deficits have amounted to 4 times as much as was lost in the preceding 20 years (slightly more than \$1 billion in 20 years, compared with more than \$4 billion in the last five years). Meanwhile, CCC investments in "surpluses" have increased threefold, from \$2,452 million in 1953 to \$7,250 million in the most recent report.



The following table IV summarizes the costs of the CCC price-support operations—first, for the 20-year period 1933 to 1952, inclusive, and, second, for the 25-year period 1933 to 1957, inclusive.

TABLE IV.—Summary of CCC program results from Oct. 17, 1933, through Dec. 31, 1957 (realized gains and losses)

| Program and commodity                                                               | Oct. 17, 1933,<br>through<br>Dec. 31, 1952 | Oct. 17, 1933,<br>through<br>Dec. 31, 1957 |
|-------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>PRICE-SUPPORT PROGRAM (CCC NONRECOURSE LOAN, PURCHASE, AND PAYMENT PROGRAMS)</b> |                                            |                                            |
| <b>Basic commodities:</b>                                                           |                                            |                                            |
| Corn.....                                                                           | <sup>1</sup> \$53, 166, 802                | <sup>1</sup> \$673, 020, 646               |
| Cornmeal.....                                                                       |                                            | 30, 813, 137                               |
| Cotton:                                                                             |                                            |                                            |
| Extra long staple.....                                                              |                                            | <sup>1</sup> 6, 146, 942                   |
| Upland.....                                                                         | 268, 629, 425                              | <sup>1</sup> 439, 737, 896                 |
| Export differential.....                                                            | <sup>1</sup> 41, 361, 218                  | <sup>1</sup> 41, 361, 218                  |
| Puerto Rican.....                                                                   | <sup>1</sup> 130, 198                      | <sup>1</sup> 130, 198                      |
| Cotton-rubber barter.....                                                           | 11, 055, 451                               | 11, 055, 451                               |
| Peanuts.....                                                                        | <sup>1</sup> 91, 687, 605                  | <sup>1</sup> 151, 129, 448                 |
| Rice.....                                                                           | <sup>1</sup> 1, 422, 757                   | <sup>1</sup> 79, 768, 110                  |
| Tobacco.....                                                                        | 4, 585, 150                                | <sup>1</sup> 4, 326, 570                   |
| Wheat.....                                                                          | <sup>1</sup> 83, 490, 156                  | <sup>1</sup> 510, 721, 419                 |
| Wheat flour.....                                                                    |                                            | <sup>1</sup> 65, 967, 730                  |
| Total.....                                                                          | 13, 011, 290                               | <sup>1</sup> 1, 992, 067, 863              |
| <b>Designated nonbasic commodities:</b>                                             |                                            |                                            |
| Honey.....                                                                          | <sup>1</sup> 873, 405                      | <sup>1</sup> 868, 646                      |
| Milk and butterfat:                                                                 |                                            |                                            |
| Butter.....                                                                         | <sup>1</sup> 48, 286, 347                  | <sup>1</sup> 430, 421, 755                 |
| Butter oil.....                                                                     |                                            | <sup>1</sup> 121, 205, 843                 |
| Cheese.....                                                                         | <sup>1</sup> 25, 021, 168                  | <sup>1</sup> 302, 514, 035                 |
| Milk:                                                                               |                                            |                                            |
| Dried.....                                                                          | <sup>1</sup> 58, 215, 868                  | <sup>1</sup> 518, 832, 477                 |
| Fluid.....                                                                          |                                            | <sup>1</sup> 187, 301, 019                 |
| Whey.....                                                                           |                                            | <sup>1</sup> 3, 584, 209                   |
| Subtotal.....                                                                       | <sup>1</sup> 133, 396, 788                 | <sup>1</sup> 1, 563, 859, 338              |
| Potatoes, Irish.....                                                                | <sup>1</sup> 478, 080, 248                 | <sup>1</sup> 478, 577, 870                 |
| Tung oil.....                                                                       | <sup>1</sup> 78, 904                       | <sup>1</sup> 1, 063, 125                   |
| Wool.....                                                                           | <sup>1</sup> 92, 163, 834                  | <sup>1</sup> 113, 829, 214                 |
| Total.....                                                                          | <sup>1</sup> 702, 719, 774                 | <sup>1</sup> 2, 158, 198, 193              |
| <b>Other nonbasic commodities:</b>                                                  |                                            |                                            |
| Barley.....                                                                         | <sup>1</sup> 9, 621, 953                   | <sup>1</sup> 101, 663, 747                 |
| Beans, dry, edible.....                                                             | <sup>1</sup> 31, 860, 759                  | <sup>1</sup> 72, 679, 309                  |
| Castor beans.....                                                                   | <sup>1</sup> 171, 193                      | <sup>1</sup> 171, 193                      |
| Cotton, American-Egyptian.....                                                      | <sup>1</sup> 273, 760                      | 28, 827                                    |
| Cottonseed and products.....                                                        | <sup>1</sup> 15, 360, 619                  | <sup>1</sup> 116, 786, 256                 |
| Eggs.....                                                                           | <sup>1</sup> 189, 704, 185                 | <sup>1</sup> 189, 698, 695                 |
| Flax fiber.....                                                                     | <sup>1</sup> 397, 113                      | <sup>1</sup> 397, 113                      |
| Flaxseed and linseed oil.....                                                       | <sup>1</sup> 66, 065, 232                  | <sup>1</sup> 166, 034, 288                 |
| Fruit, dried.....                                                                   | <sup>1</sup> 14, 882, 320                  | <sup>1</sup> 14, 882, 320                  |
| Grain sorghum.....                                                                  | <sup>1</sup> 35, 804, 103                  | <sup>1</sup> 183, 384, 438                 |
| Grapefruit juice.....                                                               | <sup>1</sup> 1, 732, 374                   | <sup>1</sup> 1, 732, 374                   |
| Hemp and hemp fiber.....                                                            | <sup>1</sup> 21, 459, 155                  | <sup>1</sup> 21, 459, 155                  |
| Hops.....                                                                           | <sup>1</sup> 954, 200                      | <sup>1</sup> 954, 200                      |
| Naval stores.....                                                                   | <sup>1</sup> 1, 372, 873                   | <sup>1</sup> 815, 375                      |
| Oats.....                                                                           | <sup>1</sup> 1, 338, 827                   | <sup>1</sup> 66, 962, 650                  |
| Olive oil.....                                                                      |                                            | <sup>1</sup> 578, 132                      |
| Peas, dry, edible.....                                                              | <sup>1</sup> 889, 436                      | <sup>1</sup> 824, 436                      |
| Pecans.....                                                                         | <sup>1</sup> 3, 751                        | <sup>1</sup> 3, 751                        |
| Rye.....                                                                            | <sup>1</sup> 159, 455                      | <sup>1</sup> 17, 448, 925                  |
| Rye flour.....                                                                      |                                            | 7, 080                                     |
| Seeds.....                                                                          | <sup>1</sup> 1, 349, 516                   | <sup>1</sup> 38, 705, 486                  |
| Soybeans.....                                                                       | 4, 376, 694                                | <sup>1</sup> 1, 577, 300                   |
| Sugar, Puerto Rican and Virgin Islands.....                                         | 23, 830                                    | 23, 830                                    |
| Sugar beets.....                                                                    | <sup>1</sup> 16, 517, 269                  | <sup>1</sup> 16, 517, 269                  |
| Sweetpotatoes.....                                                                  | <sup>1</sup> 135, 421                      | <sup>1</sup> 135, 421                      |
| Turkeys.....                                                                        | 11, 070                                    | 11, 070                                    |
| Vegetables, canned.....                                                             | 11, 942                                    | 11, 942                                    |
| Total.....                                                                          | <sup>1</sup> 374, 908, 741                 | <sup>1</sup> 1, 013, 329, 084              |
| <b>Exchange commodities:</b>                                                        |                                            | <sup>1</sup> 10, 151, 648                  |
| Total price support.....                                                            | <sup>1</sup> 1, 064, 617, 225              | <sup>1</sup> 5, 173, 746, 788              |

<sup>1</sup> Denotes loss.

Although the farm program, as administered in recent years, has not succeeded in preventing a decline in farm prices and farm income, without it farmers would have fared even worse.

Detailed data made available to the committee indicate that the Commodity Credit Corporation, by its price support and supplementary distribution programs in each of the last 5 years, removed a net of from \$1.1 to \$2.5 billion in farm products from commercial markets.

Statistical studies indicate that the demand for farm products is inelastic. A 5-percent oversupply on the market causes farm prices to drop 12.5 percent or more. Employing this ratio, each \$1 of farm products removed from commercial markets by CCC or section 32 (surplus removal) programs increased farm income at least \$2.5. Making these calculations and adding direct Government payments to farmers, the contribution of the farm program to farm income in recent years may be estimated as follows:

TABLE V

| Year      | Net removal<br>of farm<br>products<br>from com-<br>mercial<br>markets by<br>Government<br>(billions) | Estimated<br>contribution<br>of programs<br>to farm<br>income<br>(billions) | Realized<br>net farm<br>income<br>(billions) | Contribution<br>of programs<br>as percent of<br>net farm<br>income<br>(percent) |
|-----------|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------|---------------------------------------------------------------------------------|
| 1952..... | \$1.7                                                                                                | \$4.7                                                                       | \$14.3                                       | 33                                                                              |
| 1953..... | 2.7                                                                                                  | 6.9                                                                         | 13.9                                         | 50                                                                              |
| 1954..... | 1.3                                                                                                  | 3.4                                                                         | 12.2                                         | 28                                                                              |
| 1955..... | 1.9                                                                                                  | 5.1                                                                         | 11.6                                         | 44                                                                              |
| 1956..... | 1.3                                                                                                  | 3.8                                                                         | 12.1                                         | 31                                                                              |

#### A BASIC OBJECTIVE VERSUS FOUR MYTHS

The farm program, based on the parity principle, was erected upon an awareness in the Congress that agriculture is the only major element of our total economy that has no device, outside of the help of Government, to pattern its production to market needs; that farmers have no way of measuring what should be their individual contributions to a balanced national supply of food and fiber without Government help; that farmers have virtually no bargaining power in the commerce they conduct; that agriculture is the only major industry that does not set its prices but goes into the market place and asks: "What will you give me?"

Thus the farm program, from its beginning in the 1930's, sought to employ for agriculture the two basic requirements of any successful business in a free-enterprise economy:

- (1) To provide machinery whereby producers may adjust their production to market requirements; and
- (2) To give the producers a voice in the price of their commodities as they deliver them to the markets.

It is astonishing to this committee, therefore, that the farm program, aspiring to make available to farmers, for use at their own election, these fundamental and time-tested requirements of successful private business, has been assailed in some quarters as an impingement of freedom and as at odds with free enterprise.

National propaganda has been trained against the operation of an effective farm program.

Four great myths have been planted on the farms of America and have yielded a crop of confusion, uncertainty, and doubt, around the future of agriculture. Mistrust has been created among farmers themselves, in their own program.

First, farmers are told that lower prices will solve their problems.

Second, farmers are told that increased efficiency will solve their problems.

Third, farmers are told that movement of people out of agriculture will solve their problems—that is, the problems of those who are left.

Fourth, farmers and the Nation at large are told that the price-support program is responsible for surplus farm production.

The present Secretary of Agriculture—virtually from the day he took office in 1953—has repeatedly told his audiences, principally consumers, that “the farmer is pricing himself out of his markets.” We do not recall that at the same time the people who manufacture tractors, trucks, fertilizer, sell fuel and all the other requirements in the production of food and fiber, have said that their prices are too high. Indeed not, for the costs of things that farmers use in production have been increasing month by month, while farmers’ profits have been going down year by year.

As to the second myth, relating to increased efficiency, recent experience indicates that the improved methods of production have not solved but have intensified the farm problem.

The improvement of efficiency in agriculture in the last few years has been unmatched in any other period of our history. Crop production per acre in 1957 was 40 percent above the 1935–39 average. Total man-hours of labor used for farmwork declined by 34 percent in this 20-year period; yet greater and greater abundance has come from the land. Output per man-hour of farm labor has increased 127 percent. The number of consumers supported by 1 farmworker has doubled, from 10 in the 1930’s to more than 20 today.

Yet for the 5 years 1953 through 1957 the rewards to the farmer and his family constantly declined.

The third myth is as cruel as it is fallacious. It seeks an answer to the farm problem by moving people out of agriculture. The theory seems to be that overall farm output would be reduced, and that total farm income would be divided among fewer farmers.

The fact is that we have experienced the greatest movement of people from our farms in the last few years that we have ever known; yet, total farm output has increased to new record levels. In a discussion of this myth, the question might well be raised as to what would happen to farm income if the population attrition continues and another 1 million of the approximately 5 million farm families go out of agriculture. The annual realized net farm income of around \$11,800 million, when divided among 5 million farms, shows an average per farm income of \$2,360, for investment, management and labor. Divide the same total net of agriculture by 4 million farms and the per farm income still is only \$2,950.

As to the final myth—that price supports are responsible for surplus farm production—we need only to point out that total farm output in 1957 was 6 percent higher than 5 years earlier in spite of a 19 percent decline in net farm income; but the combined production of



the 6 basic crops subject to acreage allotments and price supports was 13 percent lower, not higher, in 1957 than in 1952. Farm output is too great for available market outlets primarily because the technological revolution in agriculture is increasing total farm output faster than commercial markets can absorb it.

These four myths are being employed today to divide and confuse farm people and the general public. This propaganda in spite of its falsity is part of a broad assault upon the farm program.

#### SOME DANGERS AHEAD

Feed grain stocks have been increasing for 5 consecutive years. Another 400 to 500 million bushels of corn or its equivalent in other feed grains from the 1957 crop will be added to the carryover this fall. Even if no feed grains were produced this year, there is sufficient on hand to feed out the usual pig crop in 1959 with enough left over for all the dairy cows, horses and sheep in the United States for a full year.

Department of Agriculture technicians report that had hog production expanded to utilize all the feed grains produced in 1957, hog prices would be about 50 percent lower than the prices expected this summer and fall.

In view of the large backlog of feed grains and current production trends, unless a modernized program is adopted corn and hog producers may expect prices averaging perhaps no higher than 50 to 60 percent of parity in the next few years. They may expect corn prices to average 80 cents to \$1 per bushel and hogs to average \$10 to \$12 per 100 pounds, or about half the recent market prices.

In spite of severe acreage allotments and the soil bank acreage reserve program, wheat producers are expected to produce the third largest crop on record, largely because of favorable weather. It is probable that the wheat carryover at the end of the 1958-59 marketing season will establish a new record.

Without the enactment of H. R. 2954, or other remedial legislation, the Secretary of Agriculture has indicated that the national cotton and rice acreage allotments will be reduced so severely that, in cotton, the domestic textile industry will suffer because of a shortage of quality cotton and export markets will be lost, and, in rice, America's export position will be impaired. Farmers producing both cotton and rice will suffer from the sharp reduction in acres as indicated by the Secretary.

The Secretary has reduced dairy price supports to the minimum permitted by law, 75 percent of parity equivalent for milk used for manufacturing. Yet costs continue to mount and milk production does not decline. Many dairy producers believe they should be allowed to try out a modernized program with moderately higher supports if they are willing to cooperate in balancing production with market outlets.

The legislation presented to the House with this report seeks to guide agriculture around these and other dangers that loom ahead.

#### CONCLUSION

In view of all the evidence presented to the committee, in its many hearings, we must anticipate that farm output will continue to be

excessive in relation to market outlets for the next 10 years or so. This will be true even though prices are allowed to drop further.

To deal with this continuing condition of overabundant supply, we must continue indefinitely the supplementary distribution programs and expand them as needed; or we must adopt forthwith a workable integrated system of production adjustments which will hold output 4 to 6 percent below what it otherwise would be; or we must allow price supports and market prices to fall to levels which will enable all farm production to move through commercial markets.

If the third course of action is followed, as the administration advocates, let no one be misled, farm prices and farm incomes will drop soon and drop sharply. Feed grains and livestock producers will lead the procession in the income debacle. But wheat, cotton, rice, and other producers will not be far behind.

H. R. 12954 faces this situation realistically. It broadens and extends existing supplementary distribution programs. On a commodity-by-commodity basis, it modernizes production quotas and price supports to fit the current situation and maintain farm income in view of the special production and marketing conditions encountered by each group of producers.

This bill had its origin among farmers themselves. Working through a National Conference of Commodity Organizations, representatives of the various crops cast aside the prevailing divisive propaganda and influences and came together in a unified effort to work out their individual commodity problems and to understand the problems of the producers of other crops. The committee and its commodity subcommittees, beginning in January, has held long and exhaustive hearings on the proposals and suggestions of the farmers and their organizations. Everyone who wanted to express his views was heard. Not all of the individual commodity plans placed before the committee had matured sufficiently for inclusion in H. R. 12954, and the plans embraced in the bill have been subjected by the committee and its subcommittees to painstaking and thorough study—in some instances these plans have been revised—to present this well-rounded legislation for the consideration of the House. The cooperation of farmers and so many of their organizations, in drawing this legislation, bodes well for the future of agriculture.

#### ANALYSIS OF THE BILL

Following is a title-by-title analysis of the provisions of this bill. Because of the diversified nature of the various titles, a general description of each title is included in this part of the report, instead of in the preceding general statement.

#### TITLE I—EXTENSION AND AMENDMENT OF PUBLIC LAW 480

This title amends and extends the Agricultural Trade Development and Assistance Act of 1954, commonly referred to as "Public Law 480." In the somewhat less than 4 years since its enactment, Public Law 480 has developed into a measure which is not only of substantial importance to American agriculture but has become a major factor in the implementation of this Nation's foreign policy. The amendments herein are of three general types: (1) extension of titles I and II of the act, (2) further refinement and some extension of the purposes



for which foreign currencies accruing under the act may be used, and (3) a restatement of the barter provision of the act in an effort to convince the Department of Agriculture that it is, indeed, the policy of Congress that a barter program should be carried on.

A detailed report of operations under Public Law 480 will be found later in this report, including a discussion of the barter program.

#### *Extension of titles I and II—Additional authorization*

Section 101 extends titles I and II of the act for 1 additional year (through June 30, 1959). It also authorizes sale of an additional \$1.5 billion of agricultural surpluses for foreign currencies under title I. Title II of Public Law 480 authorizes the donation of surplus commodities to friendly nations and friendly peoples in order to provide emergency assistance under various conditions. Since this authority is to be used strictly for emergency and extraordinary relief purposes, the committee considers that the present authorization of \$800 million is sufficient for the coming year and no increase in this amount is authorized.

#### *Barter*

Section 102 amends section 303 of Public Law 480, the section establishing a policy for the barter or exchange of agricultural surpluses for strategic and other materials. Amendment of this section would not be necessary except for the fact that the Department of Agriculture has made certain administrative determinations which have virtually nullified the intent of Congress as expressed in section 303. These administrative determinations were announced on May 28, 1957, were intended to bring an end to the barter program as it had been carried on since the enactment of Public Law 480, and have had that effect. It is the intention of Congress that a barter program substantially similar to that in operation prior to May 28, 1957 should be carried on by the Secretary of Agriculture and this section 102 is a reassertion of that intent and of the constitutional right of the Congress to direct the manner in which surplus agricultural commodities are to be disposed of and establish the general policies of such operations.

Following are the major changes to section 303 made by the provisions of section 102 of this bill:

1. Under the present wording of section 303, the Secretary is directed to barter whenever he "has reason to believe that \* \* \* there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange" of surplus agricultural commodities. The intent of Congress in using this language was to direct the Secretary of Agriculture to enter into barter transactions whenever he found that surplus agricultural commodities could be traded on a businesslike basis for materials or services described in section 303. In making its administrative changes of May 1957, however, the Department interpreted this language to leave this policy determination up to the Secretary. Section 102 would remove the necessity for any such policy determination by the Secretary and direct him to barter to the maximum extent practicable within the annual limit of \$500 million prescribed by the section. By this amendment Congress takes the responsibility for the determination that the barter program itself does provide a method of reducing costs through increasing surplus disposals. The materials taken are transferred to the supplemental stockpile and CCC is reimbursed for



the value of the commodities given in exchange, thereby protecting its assets. While the Secretary is not required to make any determination with respect to the program itself, he is, of course, required to exercise ordinary good business judgment in making trades totaling, if at all practicable, \$500 million. He would still be required to obtain value with respect to each transaction and to acquire materials of eventual value to the United States.

2. The direction of section 303 to barter for materials entailing less risk of loss or substantially less storage charges is at present limited to strategic materials. The amendment would extend this direction to any materials of which the United States does not produce its requirements and which meet the qualifications as to less risk of loss or less storage charges—for example, precious metals and industrial diamonds. This change would provide additional opportunities for barter and assist the Department to expand the program to the full level permitted by this section. The committee also suggests that resumption of barter for lead and zinc might assist in solving the problems facing the domestic lead and zinc industry today.

3. Section 102 limits the value of the surplus agricultural commodities covered by barter agreements entered into in any fiscal year under section 303 to \$500 million. At present there is no limit on the volume of transactions which may be undertaken, it being left to the Secretary's discretion. Since this section now directs the Secretary to undertake a larger program than is provided for by his May 1957 regulations, the section also specified a limit for such expanded program.

4. Action of the Department placing upon potential barter contractors the burden of proving that surplus agricultural commodities disposed of by them under the program would not interfere with dollar sales is a major device used by the Department to curtail the barter program. By its regulations, the Department has limited the areas of the free world into which these surpluses may be moved and has required "certificates of additionality" before it would consider a proposed barter transaction. It is a clear commentary on the Department's attitude toward the whole program that only three such certificates of additionality have been accepted by it since May 1957. The language in section 102 is designed to remove this roadblock to the barter program. It will prevent the Secretary from limiting the areas of the free world into which surplus commodities may be sold under the barter program except where he makes a specific finding as to a particular transaction that that transaction will replace a specific cash sale for dollars. In this connection, the committee means United States dollars. The committee is not unaware that our export programs necessarily involve our relationships with other friendly countries. It has seen no convincing evidence, however, that the barter program involves any unfair advantage over other exporting countries and sees no reason why it, as well as other aspects of our surplus disposal program, cannot be carried out in a fair and friendly manner.

5. Section 102 also amends the existing provisions of section 303 to prescribe that no material shall be excluded from barter under that section by reason of the fact that it has been domestically processed, if provision is made for the importation of an equivalent amount of similar raw material. Convincing evidence was presented to the

committee that exclusion of domestically processed materials from the barter program by the Department has resulted in the diverting of processing operations to other countries with resulting unemployment in the United States. There is also evidence that many barter transactions which would have disposed of very substantial quantities of agricultural surpluses have not been made primarily because of the Department's insistence that the material to be received in exchange could not be processed in the United States.

#### *Section 103*

This section authorizes the use of foreign currencies received from the sale of surplus agricultural commodities for acquisition of sites and buildings and grounds abroad for United States Government use. It would include offices, residence quarters, community and other facilities, and construction, repair, alteration, and furnishing of such buildings and facilities. The section provides that such funds would be available for these purposes only in such amounts as may be specified from time to time in appropriation acts, and would be in addition to funds otherwise made available for such purposes. This section was recommended by the Department of Agriculture in an Executive communication of June 3, 1958, with the approval of the Bureau of the Budget. The acquisition and management of the property acquired thereunder would be the responsibility of the Department of State along with its existing responsibilities in this area.

#### *Section 104*

This section, also, was recommended for inclusion in the bill by the Department of Agriculture in its Executive communication of June 3, 1958. It authorizes the use of foreign currencies received from the sale of surplus agricultural commodities for financing trade fair participation and other activities authorized by section 3 of the International Cultural Exchange and Trade Fair Participation Act of 1956. Use of foreign currencies for this purpose will not only permit more effective exhibits and displays to promote sale of United States commodities in countries where foreign currencies are available for this use, but will release, for the purpose of promoting agricultural trade through trade fair exhibits in other countries, some of the dollar appropriations for these purposes. Under Executive order, the Commerce Department is primarily responsible for the trade and industrial fair participation activity.

#### *Section 105*

This section authorizes the use of foreign currencies accruing under title I of the act to be used for financing an intensified and expanded program of locating, evaluating, translating, and obtaining foreign books, periodicals, and other publications outside the United States which are of scientific, technical, and cultural significance in this country. Such programs have been carried on rather intensively by the Library of Congress since World War II and substantial dollar appropriations have been used for this purpose. This section would not only permit the expansion of this valuable work but would very possibly permit the use of some foreign currencies in place of appropriated dollars.



*Section 106*

Under existing provisions of law, certain areas of the world which are the responsibility of the United States are not fully eligible to receive or use our surplus agricultural commodities because they are neither foreign countries nor a part of the United States. These areas include specifically the Trust Islands of the Pacific and the Ryukyu Islands. The purpose of this section is to permit the President to make such areas eligible to participate in the surplus agricultural commodities disposal and distribution programs.

*Section 107*

The purpose of this section is to permit the President to enter into agreements to use foreign currencies from sale of surplus commodities for health programs, literacy and technical training programs, and similar programs not specifically covered by other provisions in this act. The committee intends that these should be cooperative programs, with the United States cooperating with the local government and in some instances other agencies in carrying out these programs. As a general objective, the committee believes that the local government or other interested parties should make an equal amount of funds available for such programs but it is aware that there are certain areas—probably those in the most urgent need of programs of this type—where direct matching of funds on the part of local governments will not be possible. In such instances, the President in his discretion may authorize the use of local currencies by the United States in excess of the amounts contributed to the same projects from other sources.

*Section 108*

This section authorizes foreign currencies generated under title I of the act to be used to a greater extent in our interational educational exchange effort.

Subsection (a) amends section 104 (h) to permit the use of such currencies in financing exchanges of persons as authorized in the United States Information and Educational Exchange Act of 1948 (Smith-Mundt Act). These include urban and farm youth and leaders and specialists in such fields as agriculture, labor, education, and industry. The present use of these currencies under section 104 (h) is restricted to exchanges under Public Law 584, 79th Congress (Fulbright Act), which confines itself to exchanges of an academic nature.

Subsection (b) adds a new paragraph to section 104 of the act authorizing the use of these currencies to assist in the expansion and operation of American sponsored schools and educational institutions abroad. The assistance is limited to established schools, sponsored by Americans, that help to create a better understanding abroad of the United States and at the same time develop and train foreign nationals to help themselves. Such schools play an important role in furthering our foreign policy objectives. Assistance that will enable them to improve and expand their facilities and increase their foreign student enrollment will enhance their effectiveness in these areas.

This section provides also for use of these currencies in supporting workshops and chairs in American studies. The workshops would



be of relatively short duration, such as the training of a group of teachers in American history or American educational techniques, and the chairs would be of longer duration. Use would be made of selected educational institutions abroad for these purposes.

#### TITLE II—RICE

This title sets the national acreage allotment for the 1959, 1960, and 1961 crops of rice at not less than the national acreage allotment for the 1958 crop. It also suspends for these 3 years the so-called "escalator clause" of the 1949 act which requires that the level of price support be adjusted according to supply. Section 201 will permit the Secretary to establish the support level at any point between 75 percent and 90 percent of parity which he determines proper after taking into consideration the factors he now considers in establishing support levels for feed grains and other crops for which price support is not mandatory.

The 1958 crop of rice is being supported at 75 percent of parity. The Department of Agriculture has indicated that, in the absence of this or other legislation, the national rice allotment in 1959 would be reduced almost 40 percent from the 1958 allotment of 1,652,596 acres.

#### TITLE III—COTTON

Section 301 establishes a new price support and acreage allotment program for the 1959, 1960, and 1961 crops of cotton. Essentially, it is designed to give farmers themselves a choice between (a) expanding their acreage by as much as one-third above the 1958 allotment and accepting price supports at a level which may be as low as 60 percent of parity or (b) staying within an acreage allotment substantially the same as 1958 and receiving price supports at a higher level. It is assumed that the national acreage allotments in 1960 and 1961 will be approximately the same as that estimated for 1959, or slightly larger.

The present method of computing the national acreage allotment is suspended for the 3 years in which this program is effective and, instead, the national acreage allotment would be the acres needed, on the basis of the national average yield, to produce not less than the number of bales of cotton required to meet estimated domestic consumption and exports. The present estimates of the Department of Agriculture are that for 1959 domestic consumption plus exports would equal about 13 million bales, resulting in a national acreage allotment for 1959 of approximately 17,770,000 acres. The 1958 acreage allotment is approximately 17,390,000 acres.

Each cotton farmer in the United States will receive his farm allotment for the 1959-61 crops just as he now receives it and it will, presumably, be about the same size as his 1958 allotment, with minor variations due to shifts in State and county acreage history. Those farmers who elect to stay within this acreage allotment will receive price support in 1959 at not less than the percentage of parity applicable to the 1958 crop (currently estimated at 83 to 84 percent), in 1960 at not less than 80 percent of parity, and in 1961 at not less than 75 percent of parity.

Prior to the referendum on cotton marketing quotas the Secretary will announce the percentage by which each farmer with a cotton allotment may expand his production and the percentage of parity at which cotton will be supported for those producers who choose to expand their acreage. The bill provides that the Secretary may permit an acreage increase of up to one-third and may establish the level of support for producers who elect to follow the B program of increased acreage as low as 60 percent of parity. Both the exact amount of the permitted acreage increase and the level of price support for the B program are discretionary with the Secretary and will be established by him for each of the three crops. The expanded acreage (over and above the regular acreage allotment) of those farmers who choose to plant the increased acreage under program B will not be counted as history for either farms, counties, or States.

Farmers who elect to plant the expanded acreage under the B program and receive the lower level of price support will have available to them the usual CCC loans on their crop under the usual conditions of eligibility. A farmer who elects to follow the B program cannot release to the county committee for reapportionment any of his cotton acreage for that year and if he operates more than one farm and elects to follow the B program on one farm, he must follow it on all. A decision made by a farmer will be binding on him for 1 crop year but need not be followed in the next crop year. The decision must be made each year prior to planting time and will be made pursuant to regulations carried out through the county committees.

The cotton producer who elects to follow the A program must stay within his usual acreage allotment. Price support for such producers will be carried out through a purchase program with the CCC taking title to cotton produced under the A program and later reselling it.

The price at which CCC may resell the cotton acquired under the A program, or any other cotton acquired under price-support operations, is established at not less than 10 percent above the level of support for the B program plus reasonable carrying charges. This would mean that, if the support level for the B program were set at 60 percent of parity by the Secretary, the selling price of cotton could not be less than 66 percent of parity plus carrying charges.

The provisions of section 301 merely suspend, and do not repeal, the existing provisions of law with respect to cotton acreage allotments and price support. They leave in full effect any provisions of the Agricultural Act of 1938, as amended, and the Agricultural Act of 1949, as amended with respect to cotton which are not suspended directly or by necessary implication by the provisions of section 301.

Remaining in effect, among other provisions, is that requiring an annual referendum of cotton producers on marketing quotas. If cotton producers vote in favor of marketing quotas in the annual referendum for each of the crops during the 1959-61 period, the program provided in this section will be in effect for that crop. If producers vote against marketing quotas in any such referendum, no marketing quotas will be in effect and price supports will be at 50 percent of parity, in conformity with existing provisions of the Agricultural Act of 1949.



*Small-farm allotments*

Section 302 provides that the special national reserve of cotton acreage for small cotton farms shall continue in effect for the crops of 1959, 1960, and 1961 except that the full amount of acreage needed for the small-farm reserve will come out of the national acreage allotment.

The purpose of this reserve is to provide acreage with which to bring cotton producers eligible for a "minimum allotment" of 4 acres or their highest planted in the preceding 3 years, whichever is smaller, up to that minimum allotment. The provision was added to the law in 1956 and was applicable only to the 1957 and 1958 cotton crops. It originally provided only 100,000 acres for this purpose and this in addition to the national acreage allotment.

As extended for 3 years by section 302, this provision will permit the full acreage necessary to make up these minimum allotments (estimated at 175,000 acres for 1959) to be taken out of the national acreage allotment. It will be distributed to States and counties on the basis of the needs for such acreage established in connection with the 1957 and 1958 cotton allotments.

It is not intended that the special allotment for Nevada shall operate so as to increase that State's regular allotment by 1,000 acres each year.

*Loans on spotted cotton*

Section 303 would write into law the requirement that in adjusting the support price of cotton on the basis of grade, the Secretary should establish separate price-support rates substantially reflecting the usual trade differentials, for "spotted cotton" and for "light spotted cotton." Such a distinction is made by the cotton trade, which consistently pays a higher price for "light spotted cotton" than it does for "spotted cotton." The distinction is also made by the Department of Agriculture grading service which grades cotton as "spotted" and "light spotted." In carrying out its price-support program, however, the Department has consistently refused to recognize this difference in grade and provide a slightly higher loan level for cotton grading "light spotted" than it does for that graded "spotted." The provisions of this section would not require the establishment of any new loan rates other than those for "light spotted" cotton.

*Apportionment of cotton on the basis of previous allotment*

Section 304 will permit the making of cotton allotments for "old farms" (those which have a history of planting cotton within the previous 3 years) on the basis of their previous year's allotment, rather than by refactoring each farm's allotment each year on the basis of its history or adjusted cropland. Farm allotments are now made in this manner in the case of tobacco, rice, and peanuts. In the case of cotton, however, the county committee has been obliged by the specific provisions of the cotton law to compute each farm allotment anew each year. This provision would save a substantial amount of work in the county committee by permitting the figuring the farm cotton allotments on the basis of the previous year's allotment, as is done for the other crops, where it has been found to be more satisfactory to producers. Use of this method of making allotments would not affect the establishment of minimum allotments nor the use of the State and county reserves.



## TITLE IV—WOOL

This title extends the National Wool Act for 3 years (through the 1961 clip) and approximately doubles the amount of money which will be available, in case it is needed for price-support payments.

The National Wool Act, enacted as part of the Agricultural Act of 1954, provides for a price-support program for wool to be carried out by means of direct payments to wool producers. Wool is marketed by producers in the usual manner and after the close of the marketing year, the Secretary makes a direct payment to the producer of the difference per pound between the average market price of wool for that year and the price-support level previously announced by the Secretary. This level is established, pursuant to the provisions of the act, at an incentive level calculated to increase the domestic production of wool. The level of price support for the 1958 wool marketing season is 95 percent of parity.

The act further provides that payments to producers made thereunder shall not at any time exceed an amount equal to 70 percent of the accumulated total of the gross receipts from specific duties collected on and after January 1, 1953, on articles subject to duty under schedule 11 of the Tariff Act of 1930, as amended (wool and wool products). Although this limitation has thus far permitted the Secretary to make all payments scheduled under the act, Department officials estimate that the amount of payments might soon outrun the legal limitation. Therefore, sections 402 and 403 amend this limitation to provide that 70 percent of all tariff duties collected under schedule 11 (ad valorem duties as well as specific duties) may be used in making payments under the Wool Act and are automatically appropriated to CCC in order to reimburse the Corporation for such payments.

## TITLE V—WHEAT

Title V is the "domestic parity plan for wheat" which was originally sponsored in the House by former Representative Clifford R. Hope, of Kansas. It provides for the continuation of the present acreage allotment program, but marketing quotas for wheat would be discontinued and replaced by the provisions of this bill. The title will become effective only if the program is approved by more than 50 percent of the wheat producers voting in a referendum. If it is rejected, the present program would continue.

Under the program authorized by this title, the price-support level for wheat would be established by the Secretary after taking into consideration (1) the supply of wheat in relation to the demand, (2) the price-support level at which feed grains are being supported and the feed value of wheat in relation to such grain, (3) the provisions of any International Wheat Agreement, (4) foreign trade policies, and (5) other factors affecting international trade in wheat. Pursuant to these requirements, it is anticipated that the Secretary would set the support price for wheat in the neighborhood of the support price for corn, which is currently 42 cents per bushel below that of wheat.

Regulated by this support price, all wheat would move on an open market without restriction. Farmers who overplanted their allotment would not be prevented from marketing their wheat, or required to pay a penalty, as under existing laws relating to wheat quotas, but

would simply be ineligible for price support and for reimbursement through domestic marketing certificates.

Prior to the beginning of each marketing year, the Secretary would estimate the percentage of the anticipated wheat crop which would be used domestically for human food. This is normally in the neighborhood of 50 percent of the wheat crop. The domestic food percentage thus determined by the Secretary would then be applied to each farm wheat allotment and would be called the farm "domestic food quota." If, for example, the Secretary determined that exactly 50 percent of the coming wheat crop would be used in the United States for food purposes, the domestic food quota for each wheat producer would be 50 percent of the farm acreage allotment multiplied by the normal yield of wheat per acre for the farm.

Also prior to the start of each marketing year, the Secretary would estimate the price at which the wheat crop would be sold in that marketing year and would issue to each eligible wheat producer certificates for the number of bushels in his domestic food quota valued at the difference per bushel between the estimated market price of wheat and 100 percent of parity. These certificates would be redeemed for cash by the Commodity Credit Corporation. The bill provides that in order to be eligible to receive these certificates, the producer must stay within his acreage allotment and must actually have planted for harvest as grain a sufficient acreage of wheat to meet his domestic food quota.

The cost of the domestic marketing certificates issued to farmers will be paid by millers and others who process wheat for consumption as food within the United States. Each company or person processing wheat for domestic food use will be required to purchase a certificate from the Commodity Credit Corporation at the same value per bushel as the certificates which have been issued to the farmers. Thus, the cost to the Government of the certificate program will be only the cost of administration. To simplify administration, the bill provides that millers and processors may post a bond with the Secretary in lieu of actually buying a certificate for each bushel of wheat, and make a periodic payment of the certificate fees. In order to meet the terms of present International Wheat Agreement, some export subsidy will probably continue to be required even under the domestic parity program, but this will be only one-fourth to one-third of the subsidy now required to move each bushel of wheat into the export trade.

Although the provisions of this bill will result in millers and other wheat processors paying, in effect, the full parity price for wheat used for domestic food purposes (currently \$2.42 per bushel) price studies by the Department of Agriculture indicate that this should have little noticeable effect on prices paid by consumers for bread and other wheat products. The cost of the wheat going into bakery products is such a small part of the total cost of those products that their prices are peculiarly unresponsive to the price of wheat. For example, in January 1948, the farm price of wheat was \$2.81 a bushel and the average price of a 1-pound loaf of bread was 13.8 cents. By April 1958, the farm price of wheat had dropped to \$1.95 per bushel but the average price of a loaf of bread had increased to 19.1 cents. Thus, while the price of wheat declined 31 percent, the price of bread increased 38.4 percent. At current prices, the farmer gets between 2.6 and 3.2 cents for the wheat in a loaf of bread.



Like most of the other titles of this bill, title V relates to only the 3 years 1959, 1960, and 1961. The title provides that wheat producers will vote in the next regular wheat marketing quota referendum on whether they want the domestic parity plan for wheat (as provided by title V) or the present wheat marketing quota and price-support program. If more than 50 percent of the producers voting in the referendum favor the domestic parity plan, that program will go into effect for the wheat crop upon which the referendum is held and any subsequent crops in the 1959-61 period.

Adoption of the provisions of title V will eliminate the problems faced by the small, noncommercial wheatgrower who wants to produce wheat primarily for feed on his own farm or as a rotation crop. Under present provisions of law, any farmer may produce up to 15 acres of wheat without becoming subject to marketing quotas and marketing quota penalties. If his allotment is less than 15 acres, however, and he exceeds the 15-acre exemption, he becomes subject to the full penalties provided by law for exceeding marketing quotas. This is true whether or not the wheat is fed on the farm where produced. Recently, another exemption has been provided by law for farmers who feed on their own farms all the wheat they produce. By making proper application to the county committee, such farmers may grow up to 30 acres of wheat without liability under marketing quota penalties. All of the wheat grown under this exemption must be used on the farm where it is produced and none of it may be marketed in any form without subjecting the producer to penalties on his entire wheat crop.

Under the provisions of title V these small wheat producers would be entirely free of marketing quotas and attendant penalties for violation of those quotas. All wheat farmers would receive acreage allotments under the provisions of this title but the only penalty for exceeding such allotments would be loss of eligibility for price supports and for domestic marketing certificates. There would be no penalty for exceeding marketing quotas, as under existing law.

#### TITLE VI—MILK

Section 601 sets up a price-support marketing quota program designed to support the price of manufacturing milk to farmers at 90 percent of parity without cost to the Government, in contrast to the present dairy price support program which cost the Commodity Credit Corporation \$440 million in the fiscal year 1955, \$449 million in fiscal 1956, \$289 million in fiscal 1957, and \$255 million in the first 10 months of this current fiscal year.

The section establishing the new program for milk relates only to the 3 marketing years beginning in 1959, 1960, and 1961. The program would go into effect for these 3 years only if a majority of the milk producers voting in a referendum favor the new program. If a majority do not vote in favor of the new program, the present program of supporting milk and butterfat prices by a purchase and disposal program at a support level determined by the Secretary between 75 and 90 percent of parity would continue in effect.

Under the program authorized by section 601, the decision as to the invoking of quotas on milk and the amount of such quotas would be made by a Federal Dairy Board of 15 persons appointed by the



President from nominees selected by milk producers. Not later than March 1 of each calendar year in which the program is in effect, the Board must estimate for the marketing year which starts on April 1 what the price of manufacturing milk would be in the absence of any Federal price-support operations. If it finds that the price would be less than 90 percent of the parity equivalent price for manufacturing milk it may invoke quotas and require compliance with such quotas as a condition of eligibility for price-support payments under the program.

When quotas are invoked by the Board, they would be applied uniformly to each milk producer (including those who market their milk in the form of cream) on a percentage basis.

Paragraph 2 of the section provides for the establishment of a base for each milk producer. When marketing quotas are invoked by the Board they would be applied on a uniform percentage basis against the base established by the Secretary for each producer. Marketing quotas would apply to all milk producers who sell milk or cream for commercial use. Quotas would not apply to milk or cream sold by the producer direct to a noncommercial consumer.

The bill provides a formula for the guidance of the Board in establishing quotas, authorizing a reduction of 2 percent from the farm marketing base for each 5 percent of the parity equivalent price which the Board estimates the average market price of manufacturing milk would be below 90 percent in the absence of Federal price-support operations. Thus, if the Board estimates that in the coming milk marketing year the average market price in the absence of support programs would be 80 percent of parity for manufacturing milk, it would be authorized to set marketing quotas as much as 4 percent below the farm base. If the estimated price were 70 percent of parity, the Board could set farm marketing quotas at 8 percent below the base.

If the Board establishes marketing quotas at the lowest level authorized by paragraph (3) of the section, the Secretary is required to support the price of manufacturing milk at 90 percent of parity. The Board is not required to set the quota at the minimum figure provided by the bill, however, and may exercise its option to set the quota at a higher percentage of the farm base. If it does this, the Secretary is authorized to reduce the level of price support by 3 percentage points of parity for each 1 percent of the farm base that the Board establishes quotas above the minimum provided in paragraph (3). Thus, if the Board estimates the free market price of milk for the coming year at 80 percent of parity, a marketing quota 4 percent below each producer's base would be authorized. If the Board sets the quota at that figure, the Secretary is required to support manufacturing milk at 90 percent of parity. If the Board in its discretion sets the quota at only 3 percent below the farm base, instead of the full 4 percent authorized by the bill, the Secretary could, at his discretion, reduce the level of price support to 87 percent of parity.

Under existing law, price supports for milk and butterfat are carried out by purchases of the products of these commodities—primarily butter, cheese, and dry skim milk. This method of support would be discontinued under the provisions of this title and price supports to dairy producers would be carried out only by means of payments from the Commodity Credit Corporation direct to those producers who

complied with their marketing quotas. Money for these payments would come out of Commodity Credit Corporation funds and would be appropriated to the Corporation in the usual manner but the total amount of such price-support payments in any marketing year would be limited to the amount of "compliance deposits" forfeited in that marketing year by milk producers.

Compliance deposits as provided in paragraph (4) to encourage compliance by producers with marketing quotas will be collected from all producers who sell milk into commercial channels. The amount of the compliance deposit would be set by the Board at not less than 25 cents nor more than 50 cents per hundredweight of milk (or an equivalent amount on cream) to encourage compliance with producer marketing quotas. The deposit will be collected by the first purchaser of the milk and turned over to the Treasury, where it will be kept in a special fund. If the producer complies with his marketing quota, the full amount of his deposit will be refunded to him after the close of the marketing year. If the producer does not comply with his marketing quota, the full amount of his compliance deposit will be forfeited and will go into the general funds of the Treasury. The amount of price-support payments which may be made in any one year is limited by the total amount of the deposits forfeited in this manner.

The overproduction of milk in the United States has been running in the neighborhood of 5 percent. All of this 5 percent overproduction goes into manufacturing uses—such as ice cream, cheese, butter, and other dairy products. Department of Agriculture studies show that the price of manufacturing milk responds directly and quickly to changes in supply so that a reduction of 5 percent in the overall supply of milk reaching commercial markets would probably result in a market price for manufacturing milk of approximately 90 percent of parity. If it did not result in the price reaching 90 percent, the difference between the market price and 90 percent of parity (assuming support at 90 percent of parity under the provisions of this title) would be made up to milk producers who complied with their marketing quotas, in the form of the direct payments described above, within the limitations on such payments established by this title.

Manufacturing milk is currently being supported by the Department of Agriculture, by means of purchase and disposal of dairy products, at \$3.06 per hundredweight, which is 75 percent of parity. If a quota program such as is provided in this title were to increase manufacturing milk prices to 90 percent of parity, this would mean a price of approximately \$3.67 per hundredweight to producers. This would doubtless result in some increase in the price of butter, cheese, and similar manufactured dairy products to consumers but it would end the Government subsidy of dairy products and result in a saving of several hundred million dollars a year to taxpayers, most of whom are also consumers.

Such an increase in the price of manufacturing milk would not necessarily mean any increase in the price of fluid milk to consumers. The price of class 1 milk (that which goes into bottles as fluid milk or cream) in many of the major consuming areas is set either by State or Federal orders or regulations without regard to the price of manufacturing milk. In other fluid market areas, the price of manufacturing milk is only one of many factors taken into consideration in



establishing fluid milk prices. In many areas under Federal milk marketing orders, returns to farmers selling their milk into the fluid market would be fully as large as their present returns without any increase in the price of class 1 milk. The reason for this is that in most markets a relatively high percentage of the milk delivered by farmers (in some of the larger markets as much as 50 percent) is surplus to the fluid milk needs of the market and goes into manufacturing uses. For this milk the farmer receives the manufacturing price. If the price he receives for this manufacturing milk is increased substantially by this program his "blend price" (the price he receives on the average for all milk delivered) will be increased proportionately and such increase may well offset completely the reduced volume of milk delivered under the marketing quotas.

#### *Announcement of support level*

Section 602 requires the Department of Agriculture, in announcing the support level for manufacturing milk, to announce a corresponding support price for manufacturing milk containing 3.5 percent butterfat. The Department's price-support announcement is customarily made in terms of the national average butterfat content which is approximately 3.9 percent. This will in no way change the legal requirement as to the support level on milk or the method of its computation.

#### *Certification of support price*

Section 603 requires that when the Secretary is supporting the price of milk by loans on or purchases of milk and dairy products he shall require a certificate from the vendor of any such products that producers were paid for their milk or cream a price equivalent to the price-support level in effect at that time.

#### *School milk program*

Section 604 extends the school milk program for 3 years (through June 30, 1961). This program would not be affected by the enactment and adoption by producers of the marketing quota program authorized in section 601.

#### *Veterans and armed services milk program*

Section 605 extends for 3 years (until December 31, 1961) the program under which surplus dairy commodities are made available to Veterans' Hospitals.

Section 606 extends for 3 years (until December 31, 1961) the program under which surplus dairy products are made available to the armed services and adds to the eligible recipients the Coast Guard and the United States Merchant Marine Academy. The programs extended by this section and section 605 would become inoperative in the event the milk marketing quota program authorized in section 601 is adopted because the law authorizing the Veterans' Administration and armed services programs limits the obligation of the CCC to provide such commodities to dairy products acquired by the Corporation through price-support operations and not disposed of as otherwise provided by law. Under the program authorized in section 601 the CCC would cease to acquire dairy products in its price-support operations.



*Price-support determination*

Section 607 removes from the basic price-support law the requirement that the Secretary make an "adequate supply" determination in establishing the level of price support for milk and butterfat. Under the present provision of law, the Secretary is directed to establish the level of price support at such level between 75 and 90 percent of parity as he determines necessary "in order to assure an adequate supply."

The amendment made by this section strikes out the words referring to adequate supply and permits the Secretary complete discretion in establishing the level of price support between 75 and 90 percent of parity.

## TITLE VII—FEED GRAINS

Under provisions of the feed grain title the Secretary would be directed to conduct a referendum of certain oats, rye, or barley producers and of producers on farms for which a 1959 corn-sorghum base of more than 30 acres had been established to determine for the 1959, 1960, and 1961 crops (1) whether they favor a program of price support or no program for such crops, and (2) whether they favor the price-support program provided for in subtitle III of the bill or whether they favor the price support program provided for in subtitle IV of the bill. If a majority of those voting in the referendum vote for a program of price support, the Secretary would be directed to carry out the program receiving a majority of the votes cast on part II of the ballot, otherwise there would be no program for corn or grain sorghums.

## SUBTITLE III

If subtitle III of the bill is favored by producers, acreage allotments and marketing quotas would be in effect for feed grains (corn and sorghum) during the 3 years 1959, 1960, and 1961. However, marketing quotas would not apply to farms on which the acreage planted to feed grains is below the highest acreage planted during 1955, 1956, and 1957 but not in excess of 30 acres, unless producers on such farms choose to participate in the program. A marketing penalty of \$1 per bushel would be imposed on the marketing excess of any applicable farm.

Under this subtitle, the national feed grain base would be 102 million acres, and the national feed grain allotment (corn and sorghums) for 1959 would be 81,600,000 acres or 20 percent less than the national base acreage. For 1960 and 1961, the national feed grain allotment would be determined by the Secretary at not less than 81,600,000 acres nor more than 91,800,000 acres. Both the national feed grain base and the national feed grain allotment would be apportioned to States, counties, and farms on the basis of the average acreage of corn and sorghums planted and diverted during the years 1955, 1956, and 1957, with adjustments for abnormal weather conditions in a manner quite similar to the present law. The bill also establishes a farm conservation base which is composed essentially of nontillable farmland.

Producers complying with their farm feed grain allotments would be compensated at a specified rate for the normal production on the reduced acreage. In this connection, producers receiving farm feed

grain allotments in excess of 30 acres could voluntarily agree to reduce their acreage down to 50 percent of their base and receive compensation therefor and producers receiving allotments of less than 30 acres could voluntarily agree to reduce their acreage by not less than 20 percent up to 100 percent of their farm feed grain base and receive compensation therefor.

Compensation per acre for such reduction would be at the rate of 66 percent of the normal yield of the farm for feed grains (corn and sorghums) multiplied by 80 percent of the parity price for corn. The rate could not exceed \$75 per acre. For 1959 not more than 50 percent, and for 1960 and 1961 not less than 50 percent of such compensation would be in the form of negotiable certificates which the Commodity Credit Corporation would redeem in grains in accordance with regulations prescribed by the Secretary. If CCC stocks of grain are insufficient to redeem such certificates in grain or it is impracticable to redeem the certificates in grain, the certificates would be redeemed in cash. The remainder of such compensation would be paid through negotiable certificates redeemable in cash.

To be eligible for compensation the producer (1) must not exceed his farm feed grain allotment, (2) must increase his farm conservation base by an acreage equal to the number of acres by which he reduces his feed grains (corn and sorghums) below his farm feed grain base, (3) must carry out a conservation practice, approved by the Secretary, on such diverted acreage, and (4) must not harvest or pasture such diverted acres.

Under this proposed program price support would be provided for all three years, 1959, 1960, and 1961, at 80 percent of parity to producers who comply with their farm feed grain allotments. Cross compliance would be required; that is, no producer would be eligible for price support on any commodity if the acreage of corn and sorghums on the farm exceeds the farm feed grain allotment except in the case of a commodity for which the Secretary determines that it is impracticable to apply such provision.

#### SUBTITLE IV

If a majority of the producers voting in the referendum vote for a program of price support as established under subtitle IV of the bill, no acreage allotment or marketing quotas would be in effect for the 1959, 1960, and 1961 crops of corn and sorghums. The level of support for the 1959, 1960, and 1961 crops of corn would be 90 percent of the weighted average of prices received by farmers for such commodity during the 3 preceding calendar years. For 1958 the level of support for corn would be around \$1.14 per bushel.

Under this program, price support for sorghum grain would be at such level as the Secretary determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of the commodity in relation to corn and other relevant factors. This program is essentially the American Farm Bureau Federation proposal.

Under this proposed program there would be no acreage allotments on corn with producers free to plan their farming operations in accordance with their own desires. It differs from the Administration program in three respects, namely, (a) the price-support level, (b) temporary nature, and (c) mandatory price support for grain sorghum,



oats, rye, and barley. The price support formula in subtitle IV would, under existing conditions, result in a continuous year to year reduction in the support level until supplies and needs were in balance.

#### TITLE VIII—MISCELLANEOUS

##### *Uniform acreage transfer law*

Section 801 will provide a uniform law covering the transfer of acreage allotments. The Agricultural Adjustment Act of 1938, as amended, contains separate provisions for each of the commodities tobacco, wheat, cotton, rice, and peanuts pertaining to the rights of a farmer to an allotment on another farm in cases where the Government acquires his farm. The provisions for the several commodities are similar and yet they are substantially different in several respects. This means that a farmer having, for example, cotton and tobacco allotments on his farm is governed by two entirely different sets of rules in obtaining cotton and tobacco allotments for another farm which he owns or acquires.

Section 801 of the bill was drafted in the Department of Agriculture at the request of the chairman of the committee. This section of the bill would repeal the present allotment transfer provisions for the several commodities and add to the 1938 act a new uniform provision which would be applicable to all of the commodities for which farm acreage allotments are established. It would also extend the applicability of the provisions to cases of acquisitions by any agency having the right of eminent domain.]

The uniform provision would give the farmer 3 years to exercise his right of obtaining an allotment from the pool into which the allotment for his farm had been placed; would entitle him to have established for other farms owned by him allotments which are comparable with allotments determined for other farms in the same area; would not permit his obtaining from the pool an acreage in excess of that placed in the pool from the farm from which he was displaced; provides for the transfer of the acreage history of the farm from which he was displaced to the farms to which the allotment is transferred from the pool; and denies the farmer the benefits of the provision if (1) there is any marketing quota penalty due with respect to the farm from which he was displaced, (2) he fails to account for any commodity produced on such farm as required by the Secretary, or (3) the allotment next established for such farm would have been reduced because of faulty or improper identification or false acreage report.

The section would be inapplicable in the case of cotton, tobacco, and peanuts, to any displacement prior to 1950, in the case of wheat and cotton, to any displacement prior to 1954, and in the case of rice to any displacement prior to 1955. If the cropland on any farm acquired by an agency represents less than 15 percent of the total cropland on the farm, the allotment attributable to that portion of the farm so acquired would be transferred to that portion of the farm not so acquired.

##### *Equity payments*

Section 802 would authorize the Commodity Credit Corporation to acquire title to agricultural commodities on which nonrecourse price-support loans have been made without the necessity of computing and making so-called equity payments to the borrower. Most



price support programs are carried out by means of nonrecourse loans on the agricultural commodity. If, during the period of the loan, the price of the commodity exceeds the amount of the loan plus interest, the producer usually pays off the loan and sells the commodity. If the market price does not exceed the amount of the loan, the producer normally permits CCC to take title to the commodity upon the maturity of the loan in full satisfaction of the loan indebtedness.

Where such price support loans are made on the basis of warehouse receipts—as is customary in the case of some commodities—judicial precedents prevent the CCC from acquiring title by forfeiture without taking into consideration the producer's "equity" in the commodity. This is seldom of any substantial value because if the price of the commodity is substantially above the amount of the loan, the owner would have paid off the loan and sold the commodity.

In practice, the amounts involved are so small that the cost of making the calculations and paying out the small refunds is virtually as great as the amount of payments involved. For example, in connection with the 1956 fiscal year operation, the total of all equity payments made was approximately \$100,000 whereas the administrative cost involved was approximately \$90,000. This section would relieve CCC of the necessity of making these calculations and payments.

This section is identical with H. R. 11389 which was transmitted to the Congress by executive communication from the Department of Agriculture with the recommendation that it be enacted.

## REVIEW OF OPERATIONS UNDER PUBLIC LAW 480

### BACKGROUND

In 1953 and early 1954, with vast agricultural surpluses accumulating in Government warehouses, many proposals were discussed before this committee in an attempt to cope with the increasingly serious situation. It was generally agreed that, with the size and character of commodities already accumulated and the expectation of continued large production, several different approaches would be needed. At this time, too, exports had fallen off sharply from the high level reached in 1951-52 as a result of buying stimulated by the Korean conflict.

Out of the many proposals came the enactment of the Agricultural Trade Development and Assistance Act of 1954, which is now widely known as Public Law 480. During the past 4 years experience has proved that Public Law 480 is a highly useful and constructive approach to the use of our agricultural abundance. Public Law 480 programs have contributed significantly to a gradual overall reduction in United States agricultural surpluses. At the same time, it has promoted good will over the world, strengthened United States foreign policy objectives, helped finance useful United States Government programs, and accelerated economic development in friendly countries through the use of foreign currencies.

At the time Public Law 480 was enacted, the investment in commodities held by the Commodity Credit Corporation totaled about \$6 billion and this accumulation rose sharply to \$8.2 billion 2 years

later. By that time, Public Law 480 began to have its full effect and the CCC investment in agricultural surpluses has been reduced by nearly \$1.4 billion.

The act provides four constructive means to use commodities. First is the authority to sell surpluses for foreign currency under title I. Under this program the United States Government finances the dollar cost of moving agricultural commodities to friendly countries. Commodities are sold by private United States exporters to foreign importers and buying organizations who pay for these purchases with their own currency. Title II of the act authorizes the President to act quickly to donate commodities abroad to meet emergency situations such as those resulting from famine, flood, and drought. Title III authorizes the donation of commodities for relief use at home and for similar use abroad through programs conducted by United States voluntary relief agencies, and also emphasizes the program for the exchange of Commodity Credit Corporation commodities for strategic and other materials.

The following table indicates the value of commodities exported under Public Law 480 during the past 4 years as compared with total United States agricultural exports.

*Exports of United States farm products under Public Law 480 compared with total exports of United States farm products by fiscal years*

[In millions of dollars]

| Programs                                                      | 1954-55 | 1955-56 | 1956-57 | 1957-58 <sup>1</sup> | Total<br>1954-58 <sup>1</sup> |
|---------------------------------------------------------------|---------|---------|---------|----------------------|-------------------------------|
| Public Law 480:                                               |         |         |         |                      |                               |
| Title I.....                                                  | \$73    | \$440   | \$902   | \$650                | \$2,065                       |
| Title II.....                                                 | 83      | 91      | 88      | 75                   | 337                           |
| Title III:                                                    |         |         |         |                      |                               |
| Barter.....                                                   | 125     | 299     | 401     | 85                   | 910                           |
| Donations.....                                                | 126     | 184     | 162     | 150                  | 622                           |
| Total.....                                                    | 407     | 1,014   | 1,553   | 960                  | 3,934                         |
| Other exports.....                                            | 2,737   | 2,482   | 3,171   | 3,020                | 11,410                        |
| Total exports.....                                            | 3,144   | 3,496   | 4,724   | 3,980                | 15,344                        |
| Total Public Law 480 exports as percent of total exports..... | 13      | 29      | 33      | 24                   | 25                            |

<sup>1</sup> Includes estimates for April-June 1958.

After 4 years of experience, the surplus problem that once plagued the United States is now being viewed in an entirely different light. Although Public Law 480 is primarily a disposal program, one of the main objectives of the act is to further United States foreign policy objectives, and it is a commonly accepted view now that so long as we have surpluses Public Law 480 is a most beneficial way to use them.

Thomas C. Mann, Assistant Secretary for Economic Affairs, testified before the Senate Committee on Agriculture and Forestry earlier this year stating that—

\* \* \* The Department of Agriculture in its testimony has emphasized the importance of Public Law 480 as a means to reduce the size of our agricultural surplus and to develop new markets for United States farm products abroad. While we recognize that this is the primary purpose of the act, at the same time we are able to use it to good advantage in further—

ing our foreign policy objectives of strengthening the political and economic stability of the free world. \* \* \*

Also, earlier this year Ismail Erez of the Turkish economic mission stated:

\* \* \* We believe that the United States agricultural surplus disposal program is playing a most prominent role in strengthening and fostering international cooperation and goodwill. This kind of aid and assistance can be more easily felt and appreciated by each individual in the recipient countries who will have a foodstuff share from surpluses provided under the program. \* \* \*

The Turkish statement is quoted because the use of surpluses in Turkey probably best typifies the importance of Public Law 480 in strengthening the United States position in the ideological struggle with communism. Turkey is one of our strongest allies. It is inconceivable to understand how that country could have maintained itself without the hundreds of thousands of tons of wheat it has received for foreign currencies under title I. It makes sense to see that their soldiers and people have bread in a time when there is so much Soviet pressure on them and they occupy such a strategic position in the Middle East.

The program has helped to accelerate the economic growth of such important countries as India and Brazil; it is feeding schoolchildren in Japan; it is making Poland and Yugoslavia more independent of the U. S. S. R.; it is feeding Hungarian refugees; undernourished children in many countries are drinking milk every day through Public Law 480; future markets for United States agricultural products are being promoted; educational exchange programs are cementing relations in many countries. Some of these operations and accomplishments are discussed in this report.

## TITLE I SALES FOR FOREIGN CURRENCIES

### SUMMARY

Title I is the major disposal program authorized in Public Law 480. Stated very simply, the program permits the United States to sell agricultural surpluses to our friends abroad with payment being received in the currency of the importing country. Therefore, it is a means whereby the United States is bridging the gap between agricultural abundance on the one hand and a shortage of dollars on the other hand.

This program has proved to be useful far beyond original expectations. It has accomplished many things:

1. It has been the major reason for the increase in United States agricultural exports and the resultant decrease in surpluses;
2. It has increased income for United States farmers by hundreds of millions of dollars;
3. It has improved the relations of the United States with many countries of the world;
4. It is making a significant contribution to the economic development of many countries through the use of foreign currency proceeds;
5. It has resulted in the exportation of hundreds of millions of dollars worth of surpluses at a relatively small additional cost;



6. It has pointed up the superiority of the West over the East in ability to produce food; this is a tremendous advantage to the West in the present ideological struggle.

#### VOLUME OF OPERATIONS

From the beginning of the title I program on July 10, 1954, through May 31, 1958, more than 100 agreements have been signed with 35 friendly countries. The volume of agricultural commodities provided for in these agreements totals well over \$3.8 billion at cost to the Government and more than \$2.7 billion at world market prices. These values include ocean transportation costs of nearly \$300 million financed by the United States for shipments made primarily on privately owned United States-flag vessels.

At cost to the Government, agreements totaled about \$475 million in the year ending June 30, 1955; about \$975 million in 1955-56; about \$1.5 billion last year; and are expected to reach \$1 billion this year.

The increase in title I shipments from year to year has been one of the major factors leading to the rise in our total agricultural exports. In 1954-55 our agricultural exports had a market value of \$3.1 billion. Title I shipments were small that year accounting for 3 percent of the total. In 1955-56 our agricultural exports arose to \$3.5 billion. Title I accounted for 12 percent of the total. In 1956-57, the year ending June 30, agricultural exports rose to an all-time high of \$4.7 billion. Title I shipments made up almost 20 percent of the total, or about \$900 million. This year, United States farm exports are expected to reach \$4 billion of which about 16 percent will move under title I.

The rise in total United States agricultural exports, sparked mainly by foreign currency sales, was the principal reason that the direction of agricultural surplus accumulations were reversed last year. During 1956-57 the Commodity Credit Corporation's investment in price-support commodities declined almost \$1 billion with the principal reductions concentrated in wheat, cotton, and rice, commodities for which there was heavy movement under the title I program. As of April 30, 1958, the last official report issued by CCC, the investment had declined about \$1.4 billion from the same period 2 years earlier.

The magnitude of the program is illustrated by the following figures indicating for six major commodities what has been included in title I agreements and what has been exported against these agreements:

[In millions]

| Commodity                 | Programmed | Exported |
|---------------------------|------------|----------|
| Wheat.....bushels..       | 587        | 475.     |
| Feed grains.....do.....   | 147        | 100      |
| Rice.....bag.....         | 27         | 25.      |
| Cotton.....bales.....     | 3.2        | 2.6      |
| Tobacco.....pounds.....   | 194        | 170.     |
| Vegetable oil.....do..... | 1,900      | 1,500.   |

The very wide impact of these commodities over the world is shown by the country breakdown of agreements concluded since the beginning of the program in July 1954 through May 31, 1958. The following tables show the country breakdown in terms of dollar value and in terms of quantities of commodities programmed.

Commodity composition of programs under title I, Public Law 480, agreements signed from beginning of program through May 31, 1958

[In millions]

| Country            | Wheat and flour | Feed grains | Rice  | Cotton  | Tobacco | Dairy products | Fats and oils | Other   | Market value | Ocean transportation <sup>1</sup> | Market value including ocean transportation | Estimated CCC cost including ocean transportation |
|--------------------|-----------------|-------------|-------|---------|---------|----------------|---------------|---------|--------------|-----------------------------------|---------------------------------------------|---------------------------------------------------|
| Argentina          |                 |             |       | \$10.5  | \$4.8   |                | \$30.4        |         | \$30.4       | \$0.7                             | \$31.1                                      | \$34.4                                            |
| Austria            | \$6.9           | \$15.3      |       |         |         |                | 2.4           | \$0.2   | 43.4         | 3.3                               | 43.4                                        | 62.8                                              |
| Bolivia            | 4.8             |             |       |         |         |                |               |         | 19.1         | 5                                 | 6.8                                         | 19.1                                              |
| Brazil             | 144.4           | .6          |       |         |         |                | 7.9           |         | 179.4        | 24.0                              | 179.4                                       | 295.3                                             |
| Burma              |                 |             |       |         |         |                | 1.8           | .2      | 38.8         | 1.9                               | 40.7                                        | 54.0                                              |
| Chile              | 14.2            |             |       | 31.1    | 3.1     | 2.6            | 14.9          |         | 37.1         | 3.1                               | 40.2                                        | 54.9                                              |
| China (Taiwan)     | 7.5             |             |       | 7.3     | 3.4     | 1.5            | 2.3           | .4      | 19.7         | 2.2                               | 21.9                                        | 27.9                                              |
| Colombia           | 13.4            |             |       | 12.3    | .5      | .2             | 6.1           |         | 34.7         | 3.5                               | 38.2                                        | 51.2                                              |
| Ecuador            | 2.2             |             |       | .8      | .7      |                | 3.8           |         | 7.5          | .6                                | 8.1                                         | 10.1                                              |
| Egypt              | 17.0            |             |       |         |         |                |               |         | 17.0         | 2.5                               | 19.5                                        | 36.1                                              |
| Finland            | 10.8            |             |       | 7.7     | 10.1    |                |               | 2.2     | 33.2         | 3.0                               | 36.2                                        | 48.0                                              |
| France             |                 | 2.4         |       | 23.1    | 4.5     |                |               | 1.2     | 27.6         | .1                                | 27.7                                        | 31.7                                              |
| Germany            |                 |             |       |         |         |                |               |         | 1.2          |                                   | 1.2                                         | 1.2                                               |
| Greece             | 30.5            | 10.5        |       |         |         | 3.8            | 13.7          |         | 58.5         | 7.8                               | 66.3                                        | 98.5                                              |
| Iceland            | 1.4             | 1.9         |       | .3      | .9      |                | .2            | .9      | 5.6          | .6                                | 6.2                                         | 7.8                                               |
| India              | 225.0           |             | 26.4  | 42.0    | 6.0     | 3.5            |               |         | 302.9        | 2 65.5                            | 368.4                                       | 544.8                                             |
| Indonesia          | 5.0             |             | 41.3  | 29.7    | 15.0    |                |               |         | 91.0         | 7.6                               | 98.6                                        | 145.5                                             |
| Iran               | 9.5             |             |       |         |         |                |               |         | 10.3         | 2.6                               | 12.9                                        | 20.9                                              |
| Israel             | 25.5            | 18.9        | .1    | 3.4     | .6      | 14.7           | 5.1           | 10.4    | 78.7         | 7.9                               | 86.6                                        | 129.7                                             |
| Italy              | 1.5             | 5.5         |       | 86.0    | 11.9    |                | 42.4          | .5      | 147.8        | 5.3                               | 153.1                                       | 194.1                                             |
| Japan              | 48.6            | 14.4        | 13.7  | 52.8    | 7.7     |                |               |         | 137.2        | 13.3                              | 150.5                                       | 206.3                                             |
| Korea              | 33.2            | 31.2        | 24.5  | 9.8     | 6.6     | .4             | .5            | 8.0     | 114.2        | 18.1                              | 132.3                                       | 171.1                                             |
| Mexico             |                 | 26.6        |       |         |         |                |               |         | 26.6         | 1.6                               | 28.2                                        | 63.5                                              |
| Netherlands        |                 |             |       | .3      |         |                |               |         | 3            | (3)                               | .3                                          | .4                                                |
| Pakistan           | 66.5            | 58.7        |       | 29.0    | 4.7     | 4.7            | 3.5           |         | 167.1        | 19.0                              | 186.1                                       | 283.7                                             |
| Paraguay           | 1.7             |             |       |         |         | .4             | .5            |         | 2.6          | .4                                | 3.0                                         | 4.4                                               |
| Peru               | 14.5            |             | 4.4   |         |         | 1.3            | 1.0           |         | 20.2         | 2.0                               | 22.2                                        | 36.5                                              |
| Philippines        |                 |             | 2.4   | 4.9     |         | 1.7            | .4            | .1      | 9.5          | .8                                | 10.3                                        | 15.5                                              |
| Poland             | 50.3            | 12.1        |       | 48.3    |         | 3.3            | 13.4          |         | 127.4        | 10.8                              | 138.2                                       | 202.0                                             |
| Portugal           | 6.3             |             |       |         |         |                |               |         | 6.3          | .9                                | 7.2                                         | 13.5                                              |
| Spain <sup>2</sup> | 4.5             | 14.4        |       | \$ 48.7 | 11.5    | 1.0            | 140.7         | 18.2    | 239.0        | 17.0                              | 256.0                                       | 287.4                                             |
| Thailand           |                 |             |       |         | 3.9     | .5             |               |         | 4.4          | .2                                | 4.6                                         | 4.9                                               |
| Turkey             | 73.0            | 18.7        | 1.4   |         |         | 2.2            | 37.6          | 4.4     | 137.3        | 20.7                              | 158.0                                       | 224.3                                             |
| United Kingdom     |                 |             |       |         |         |                |               | 10.2    | 48.2         | .4                                | 48.6                                        | 48.6                                              |
| Yugoslavia         | 170.0           |             |       | 46.1    | 38.0    |                | 36.8          |         | 252.9        | 40.1                              | 293.0                                       | 431.9                                             |
| Total agreements   | 988.2           | \$ 174.7    | 174.4 | 499.1   | 134.5   | 7 43.8         | \$ 305.4      | \$ 56.9 | 2, 437.0     | 288.0                             | 2, 725.0                                    | 3, 852.0                                          |

<sup>1</sup> Includes only ocean transportation to be financed by CCC.

<sup>2</sup> Includes \$6,000,000 estimated for ocean freight differential for which no rupee deposits are required. The balance, \$59,500,000, only, is reflected in the currency use table on p. 37.

<sup>3</sup> Less than \$50,000.

<sup>4</sup> Wheat sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain.

<sup>5</sup> Cotton linters, \$0.3 million.

<sup>6</sup> See the following:

|                     | Millions<br>of dollars |
|---------------------|------------------------|
| Corn.....           | 87.2                   |
| Oats.....           | 5.5                    |
| Barley.....         | 64.5                   |
| Grain sorghums..... | 17.5                   |
| Total.....          | 174.7                  |

<sup>7</sup> See the following:

|                                     |      |
|-------------------------------------|------|
| Condensed milk.....                 | 2.1  |
| Dry whole milk.....                 | 1.6  |
| Nonfat dry milk.....                | 13.7 |
| Evaporated milk.....                | 3.4  |
| Butter, butter oil and/or ghee..... | 18.2 |
| Cheese.....                         | 4.7  |
| Whey.....                           | .1   |
| Total.....                          | 43.8 |

|                                                    | Millions<br>of dollars |
|----------------------------------------------------|------------------------|
| Cottonseed oil and/or soybean oil.....             | 273.1                  |
| Cottonseed oil and/or soybean oil and/or lard..... | 44.4                   |
| Linseed oil.....                                   | 1.6                    |
| Lard.....                                          | 28.8                   |
| Tallow and/or grease.....                          | 17.5                   |
| Total.....                                         | 365.4                  |

<sup>8</sup> See the following:

|                                                                                              |      |
|----------------------------------------------------------------------------------------------|------|
| Austria, Burma, Finland, Iceland and United Kingdom, fruit (dried, fresh and/or canned)..... | 13.7 |
| Chile, hay and pasture seeds.....                                                            | .4   |
| Germany and Italy, poultry.....                                                              | 1.7  |
| Israel:                                                                                      |      |
| Dry edible beans.....                                                                        | .3   |
| Frozen beef.....                                                                             | 10.0 |
| Dried prunes.....                                                                            | .1   |
| Korea, canned pork.....                                                                      | 8.0  |
| Philippines:                                                                                 |      |
| Variety meats.....                                                                           | neg. |
| Dry edible beans.....                                                                        | .1   |
| Spain:                                                                                       |      |
| Meats.....                                                                                   | 16.8 |
| Potatoes.....                                                                                | 1.4  |
| Turkey, frozen beef.....                                                                     | 4.4  |
| Total.....                                                                                   | 56.9 |



*Approximate quantities of commodities under title I, Public Law 480 agreements signed from beginning of program through May 31, 1958*

[In thousands]

| Country        | Wheat and flour | Feed grains | Rice           | Cotton  | Tobacco | Dairy products | Fats and oils | Poultry | Dry edible beans | Fruits and vegetables | Meat      | Hay and pasture seeds |
|----------------|-----------------|-------------|----------------|---------|---------|----------------|---------------|---------|------------------|-----------------------|-----------|-----------------------|
|                | Bushels         | Bushels     | Hundred-weight | Bales   | Pounds  | Pounds         | Pounds        | Pounds  | Hundred-weight   | Pounds                | Pounds    | Hundred-weight        |
| Argentina      | 4,045           | 10,705      | 228            | 69.9    | 7,519   | 7,035          | 219,169       |         |                  | 1,111                 |           |                       |
| Austria        | 2,412           |             |                |         |         | 12,937         | 19,449        |         |                  |                       |           |                       |
| Bolivia        | 85,211          | 369         |                |         |         |                |               |         |                  |                       |           |                       |
| Brazil         |                 |             |                |         |         |                |               |         |                  |                       |           |                       |
| Burma          |                 |             |                |         |         |                |               |         |                  |                       |           |                       |
| Chile          | 8,661           |             |                | 210.2   | 121     | 7,035          | 50,918        |         |                  |                       |           |                       |
| China (Taiwan) | 4,161           |             |                | 50.9    | 4,025   | 12,937         | 11,077        |         |                  |                       |           |                       |
| Colombia       | 6,890           |             |                | 35.6    | 400     |                | 84,738        |         |                  |                       |           |                       |
| Ecuador        | 1,130           | 1,989       |                | 76.3    | 4,000   | 5,062          | 18,811        |         |                  |                       |           |                       |
| Egypt          | 10,635          |             |                | 6.0     | 427     | 1,057          | 35,996        |         |                  |                       |           | 9                     |
| Finland        | 6,395           | 1,493       |                | 46.6    | 856     |                | 30,193        |         |                  |                       |           |                       |
| France         |                 |             |                | 135.9   | 16,829  |                |               |         |                  |                       |           |                       |
| Germany        |                 |             |                |         | 7,716   |                |               |         |                  | 15,665                |           |                       |
| Greece         | 18,071          | 9,596       |                |         |         | 29,788         | 82,467        | 4,542   |                  |                       |           |                       |
| Iceland        | 743             | 1,456       |                | 1.7     | 807     |                | 1,130         |         |                  |                       |           |                       |
| India          | 138,334         |             | 4,409          | 300.0   | 6,000   | 24,615         |               |         |                  | 12,084                |           |                       |
| Indonesia      | 2,889           |             | 6,404          | 201.8   | 23,037  |                |               |         |                  |                       |           |                       |
| Iran           | 5,227           |             |                |         |         | 1,622          |               |         |                  |                       |           |                       |
| Israel         | 14,831          | 15,998      | 6              | 19.9    | 861     | 60,330         | 33,911        |         | 41               | 882                   | 40,000    |                       |
| Italy          | 887             | 4,169       |                | 575.6   | 15,529  |                | 271,427       | 1,429   |                  |                       |           |                       |
| Japan          | 31,030          | 11,325      | 2,142          | 317.0   | 9,792   |                |               |         |                  |                       |           |                       |
| Korea          | 29,323          | 29,323      | 3,468          | 49.9    | 12,667  | 1,288          | 3,125         |         |                  |                       | 19,842    |                       |
| Mexico         | 19,857          | 20,484      |                |         |         |                |               |         |                  |                       |           |                       |
| Netherlands    |                 |             |                | 1.8     |         |                |               |         |                  |                       |           |                       |
| Netherlands    | 39,770          |             | 9,043          | 187.5   | 5,317   | 9,257          | 24,183        |         |                  |                       |           |                       |
| Pakistan       |                 |             |                |         |         | 933            | 3,126         |         |                  |                       |           |                       |
| Paraguay       | 8,658           |             | 672            |         |         | 1,098          | 7,964         |         |                  |                       |           |                       |
| Peru           |                 |             | 343            | 32.7    |         | 16,491         | 3,622         |         | 7                |                       | 167       |                       |
| Philippines    |                 |             |                | 297.9   |         | 33,069         | 98,303        |         |                  |                       |           |                       |
| Poland         | 28,936          | 11,894      |                |         |         |                |               |         |                  |                       |           |                       |
| Portugal       | 3,879           |             |                |         |         |                |               |         |                  |                       |           |                       |
| Spain          | 12,598          | 11,652      |                |         |         | 4,723          | 833,529       |         |                  | 50,822                | 69,700    |                       |
| Thailand       |                 |             |                | 2 314.9 | 18,772  | 1,957          | 259,200       |         |                  |                       |           |                       |
| Turkey         | 42,559          | 16,392      | 218            |         | 5,332   | 9,952          |               |         |                  |                       | 16,604    |                       |
| United Kingdom |                 |             |                |         |         |                |               |         |                  | 107,235               |           |                       |
| Yugoslavia     | 98,699          |             |                | 297.5   | 54,603  |                | 263,403       |         |                  |                       |           |                       |
| Total          | 587,502         | 3 146,835   | 26,933         | 3,229.6 | 194,610 | 4 221,214      | 2 355,741     | 5,971   | 48               | 6 189,378             | 7 146,313 | 9                     |

<sup>1</sup> Wheat sold to Spain for resale to Switzerland for financing procurement of Swiss goods by Spain, bales cotton lintners.  
<sup>2</sup> Includes 15,400.

| See the following:  |                         |
|---------------------|-------------------------|
| Corn.....           | Thousands<br>of bushels |
| Oats.....           | 62,806                  |
| Barley.....         | 7,384                   |
| Grain sorghums..... | 60,659                  |
| Total.....          | 15,986                  |
| Total.....          | 146,835                 |

| See the following:                  |                        |
|-------------------------------------|------------------------|
| Condensed milk.....                 | Thousands<br>of pounds |
| Dry whole milk.....                 | 8,221                  |
| Nonfat dry milk.....                | 3,869                  |
| Evaporated milk.....                | 117,945                |
| Butter, butter oil and/or ghee..... | 24,500                 |
| Cheese.....                         | 45,326                 |
| Whey.....                           | 19,352                 |
| Total.....                          | 2,001                  |
| Total.....                          | 221,214                |

| See the following:                           |                        |
|----------------------------------------------|------------------------|
| Cottonseed oil and/or soybean oil.....       | Thousands<br>of pounds |
| Cottonseed oil, soybean oil and/or lard..... | 1,655,947              |
| Linseed oil.....                             | 298,408                |
| Lard.....                                    | 12,555                 |
| Tallow and/or grease.....                    | 214,385                |
| Total.....                                   | 174,446                |

| All fruit except Spain which is potatoes. |         |
|-------------------------------------------|---------|
| See the following:                        |         |
| Philippines, variety meats.....           | 167     |
| Israel, frozen beef.....                  | 40,000  |
| Korea, canned pork.....                   | 19,842  |
| Spain:                                    |         |
| Canned hams.....                          | 2,571   |
| Fatbacks.....                             | 2,149   |
| Frozen beef and variety meats.....        | 64,980  |
| Turkey, frozen beef.....                  | 16,604  |
| Total.....                                | 146,313 |

## THE NET COST OF THE TITLE I PROGRAM

Title I provides that Commodity Credit Corporation funds shall be used to finance foreign currency sales and authorizes appropriations of \$4 billion to reimburse CCC for its costs including the acquisition cost of price-support commodities from CCC stocks shipped under the program. At the end of each fiscal year the costs included under the program are computed and an appropriation is requested to reimburse CCC.

The impact of the program on the national budget, however, is relatively small. The Department of Agriculture recently made an analysis to estimate the additional costs incurred by the Department as a result of shipments under title I from the beginning of the program through December 31, 1957. This analysis resulted in an estimate that the additional cost to the Department, as of that time, was about \$239 million, and this amount included about \$180 million to finance ocean transportation costs of commodities required to be shipped on United States-flag vessels.

This analysis showed that the total cost to CCC of shipments through December 31, 1957, amounted to \$2,571 million. It assumed that all price-support commodities shipped under title I would otherwise have been in inventory on December 31, 1957. The investment value of these commodities was computed to date of shipment and interest and storage charges were added for the period between date of shipment and December 31, 1957. The total computed costs which would have been included if the commodities had not moved under title I amounted to \$2,332 million. The difference, therefore, of \$239 million represents the net new expenditure of shipments under the program through December 31, 1957.

## EFFECT ON FARM PRICES AND INCOME

In addition to showing only a slight impact on the national budget, the program has other important advantages to the United States. It has added hundreds of millions of dollars to the income of the United States farmers. A study was made by the Department of Agriculture to determine the effect of the program on farm prices and income. A report made by the Department shows that farmers' cash receipts from sales of farm products may have been increased by around \$170 million in 1955-56, by around \$245 million in 1956-57, and by around \$230 million in 1957-58 as a result of exports under title I. The estimated amounts by commodities are as follows:

[In millions]

| Commodity                       | 1955-56 | 1956-57 | 1957-58 |
|---------------------------------|---------|---------|---------|
| Wheat.....                      |         | \$70    | \$60    |
| Rice.....                       | \$10    |         | 15      |
| Tobacco.....                    | 45      | 30      | 30      |
| Corn and other feed grains..... |         | 10      | 15      |
| Fats, oils, and oil seeds.....  | 100     | 85      | 50      |
| Meat.....                       | 15      | 50      |         |
| Cotton.....                     |         |         | 60      |
| Total.....                      | 170     | 245     | 230     |



The report shows that the average price received by farmers for the 1956 crop of wheat averaged about 9 cents a bushel higher as a result of exports under title I with the same probable effect on prices for the 1957 crop. This study indicates that without the program the 1955-56 crop soybean price to farmers would have rested completely upon the price-support levels. As it was, prices received by farmers were about 15 cents a bushel higher for the 1955 crop and about 7 cents higher for the 1956 crop. Also, the increased export demand resulting from the program enabled the entire 1955 crop to move readily into commercial channels.

#### USES OF FOREIGN CURRENCIES

In addition to its small impact on the national budget and its effect on farm prices and income, the title I program benefits both the foreign country and the United States through the use of the foreign currency sales proceeds.

Section 104 of Public Law 480 provides that the foreign currencies obtained through title I sales may be used for certain specified purposes. The amount for each purpose is agreed upon by the United States and the foreign government in the formal sales agreement. When commodities are shipped, the foreign government, through its banks and importers, deposits foreign currency to the account of the United States disbursing officer in that country. The United States Treasury Department has custody of these currencies, while the overall control with respect to the allocation and disbursement of the currencies is assigned to the Bureau of the Budget.

The responsibility for administering the expenditure of foreign currencies is assigned by Executive order to various agencies as follows:

| Authority | Currency use                            | Responsible agency                                               |
|-----------|-----------------------------------------|------------------------------------------------------------------|
| Sec. 104: |                                         |                                                                  |
| (a)-----  | Agricultural market development-----    | Department of Agriculture.                                       |
| (b)-----  | Supplemental stockpile-----             | Office of Defense Mobilization.                                  |
| (c)-----  | Common defense-----                     | International Cooperation Administration and Defense Department. |
| (d)-----  | Purchase of goods for other countries-- | ICA.                                                             |
| (e)-----  | Grants for economic development--       | ICA.                                                             |
| (f)-----  | Loans to private enterprise-----        | Export-Import Bank of Washington.                                |
| (g)-----  | Payment of United States obligations--  | Any agency.                                                      |
| (h)-----  | Loans to foreign governments-----       | ICA.                                                             |
| (i)-----  | International educational exchange--    | Department of State.                                             |
| (j)-----  | Translation of books and periodicals--  | U. S. Information Agency.                                        |
|           | American-sponsored schools and centers. | State and USIA.                                                  |

Since the beginning of the program through May 31, 1958, foreign currency sales proceeds have been earmarked as follows:

|                                                                                                       | Million dollar equivalent | Percent of total |
|-------------------------------------------------------------------------------------------------------|---------------------------|------------------|
| Agricultural market development (sec. 104 (a)) <sup>1</sup> .....                                     | 43.7                      | 1.6              |
| Purchases of strategic material (sec. 104 (b)) <sup>1</sup> .....                                     | 2.0                       | .1               |
| Common defense (sec. 104 (c)).....                                                                    | 296.3                     | 10.9             |
| Purchase of goods for other countries (sec. 104 (d)) <sup>1</sup> .....                               | 46.6                      | 1.7              |
| Grants for balanced economic development and trade among nations (sec. 104 (e)).....                  | 61.5                      | 2.3              |
| Loans to private enterprise (sec. 104 (e)).....                                                       | 66.8                      | 2.4              |
| Payment of United States obligations (sec. 104 (f)) <sup>1</sup> .....                                | 067.1                     | 28.2             |
| Loans to foreign governments (sec. 104 (g)).....                                                      | 1,386.3                   | 51.0             |
| International educational exchange (sec. 104 (h)) <sup>1</sup> .....                                  | 24.9                      | .9               |
| Translation, publication, and distribution of books and periodicals (sec. 104 (i)) <sup>1</sup> ..... | 5.5                       | .2               |
| Assistance to American-sponsored schools, libraries, and community centers (sec. 104 (j)).....        | 18.5                      | .7               |
| Total.....                                                                                            | 2 2,719.2                 | 100.0            |

<sup>1</sup> In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under sec. 104 (a), (b), (f), (h), and (i). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore, estimates based on the best information now available are indicated above under subsections (a), (b), (h), and (i). Balances not otherwise distributed are included under subsec. (f). This distribution is subject to revision when allocations have been completed.

<sup>2</sup> Includes ocean transportation financed by CCC.

An analysis of the uses of these foreign currencies indicates the important nonagricultural benefits which are resulting from this program. As noted in the above table, only 1.6 percent of the currencies is being used for agricultural market development. The remaining currencies are being used for a number of programs of interest to United States agencies and the foreign governments participating in the program.

#### ECONOMIC DEVELOPMENT—LOANS AND GRANTS TO FOREIGN GOVERNMENTS

The major portion of the currencies has been reserved for economic development purposes in the foreign country. Fifty-one percent of the currencies, or the equivalent of nearly \$1.4 billion, has been set aside for loans to foreign governments for economic development projects agreed upon with the International Cooperation Administration. The use of these currencies is coordinated with the overall development programs of these countries. At the time the sales agreement is concluded there is often executed a loan agreement which provides for the general terms and conditions under which the currencies will be loaned back to the foreign governments for economic development purposes. Sometimes the loan agreement is concluded after the sales agreement. The final step in implementing this authority involves agreement between the United States and the foreign government of the specific projects to be undertaken. In approving loan projects for agricultural purposes, care is exercised to avoid encouragement of projects which would result in reduced outlets for

United States agricultural commodities. The following table indicates, by country and amount, loan projects agreed upon through May 15, 1958:

[Million dollars equivalent]<sup>1</sup>

| Country       | Total              | Description of projects                                                                                                                                                                                                                                                                                                                                                                       |
|---------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Austria.....  | 16.0               | Industrial projects, including electric power, iron and steel, metal processing, textile industry, etc., 14.2; tourism, 1.0; regional development, 0.8.                                                                                                                                                                                                                                       |
| Brazil.....   | <sup>2</sup> 31.32 | Agricultural silo facilities, 4.9; extension and rehabilitation of railways, 13.5; river navigation and port improvement, 2.7; metallurgical works, 3.6; cold storage meat plants, 0.9; electric energy production, 4.5.                                                                                                                                                                      |
|               | 117.9              | Expansion of hydroelectric and power production, railway construction, expansion of iron and steel production.                                                                                                                                                                                                                                                                                |
| Chile.....    | 31.7               | Highway and port improvement, 13.0; irrigation, drainage and forestry, 5.3; food processing facilities, 4.9; housing, 3.0; agricultural training center and experiment station, 3.0; coal industry, 2.5.                                                                                                                                                                                      |
| Colombia..... | 22.2               | Revolving loan funds for various purposes, including development of mining, lumber, and livestock production, farm-to-market roads, and food storage facilities.                                                                                                                                                                                                                              |
| Ecuador.....  | 6.3                | Agricultural credit system in tropical coastal area, 3.1; loans to agricultural producers, 2.0; industrial development, 1.0; highway improvement and maintenance, 0.2.                                                                                                                                                                                                                        |
| Finland.....  | 14.0               | Construction: Hydroelectric plant, 10.9; fluting board plant, 3.1.                                                                                                                                                                                                                                                                                                                            |
| Greece.....   | 23.5               | Extension and modernization: Roads and bridges, 9.0; electrical grid, 3.3. Workers' low-cost housing, 2.0; small community works, including access roads, water installations and range control, 6.0; vocational education, 0.2; Economic Development Finance Corporation, 3.0.                                                                                                               |
| Iceland.....  | 2.2                | Hydroelectric plant.                                                                                                                                                                                                                                                                                                                                                                          |
| India.....    | 55.0               | Loans through Refinance Corporation of India to private industry.                                                                                                                                                                                                                                                                                                                             |
| Israel.....   | 57.3               | Irrigation, well-drilling, and agricultural development, 11.4; agricultural settlements (construction of farm buildings), 2.8; land prepared, 0.4; agricultural research studies, 0.3; afforestation, 0.4; development of roads, 8.2; electric power construction, 6.6; loans to home buyers, 3.0; development of telephone services, 2.1; industrial expansion, 20.3; small industries, 1.8. |
| Italy.....    | 81.2               | Industrial development in southern Italy, 32.6; revolving loan fund—tourist facilities, 8.0; loan for industrial export promotion, 11.0; loan fund for creation of small landowners, 8.0; loans to small producers for expansion of livestock production, marketing and processing facilities, 8.0; vocational education, 13.6.                                                               |
| Japan.....    | 59.5               | Electric power development, 50.7; irrigation, drainage, and reclamation, 8.4; productivity center, 0.4.                                                                                                                                                                                                                                                                                       |
|               | 49.35              | Electric power development, 21.9; irrigation and land development, 12.7; land reclamation for industrial sites, 1.9; productivity center, 2.8; forest development, 2.8; industrial marketing and processing, 4.5; improvement of fishing port facilities, 1.9; silk center, 0.4; undetermined, 0.5;                                                                                           |
| Paraguay..... | 2.2                | Highway and bridge construction and improvement, 0.7; airport development, 0.2; sewerage system, 0.7; agricultural development (primarily coffee), 0.6.                                                                                                                                                                                                                                       |
| Peru.....     | 9.8                | Irrigation and land development, road construction: expansion of agricultural research station, and leather products production.                                                                                                                                                                                                                                                              |
| Portugal..... | 3.4                | Storage facilities for bananas and cereals.                                                                                                                                                                                                                                                                                                                                                   |
| Spain.....    | 9.0                | Reforestation and watershed control, 5.1; small irrigation projects for noncitrus fruit and vegetable production, 2.6; soil conservation, 0.3; land consolidation, 1.0.                                                                                                                                                                                                                       |
| Total.....    | 591.9              |                                                                                                                                                                                                                                                                                                                                                                                               |

<sup>1</sup> Approval of projects allows expenditures of up to the amounts stated. The total amount available for these projects would decrease if the amount available for loans is less than that anticipated.

<sup>2</sup> Projects total \$30.1 million equivalent reflecting probable shortfall in loan funds available.

NOTE.—This tabulation includes only approved projects within current loan agreements. Projects which may have been tentatively approved prior to completion of loan agreements are not included.

Under section 104 (e) there have been two grants of foreign currencies for economic development purposes. These have been for India for the equivalent of \$54 million, and Greece for the equivalent of \$7.5 million.



## ECONOMIC DEVELOPMENT—LOANS TO PRIVATE ENTERPRISE

Foreign currencies are also being made available under section 104 (e) for relending to private enterprise, largely to United States firms and their affiliates, to assist in the development and expansion of private business in foreign countries. This important use was provided for in the extension of Public Law 480 authorized in August 1957.

Since the enactment of this provision through May 31, 1958, commodity sales agreements have been consummated with 18 countries. The agreements with 10 countries provide that the full 25 percent of the sales proceeds will be made available for loans by the Export-Import Bank of Washington. In 2 additional cases, Greece and Turkey, 15 percent, and in 1 case, Korea, 4 percent of the sales proceeds are made available to the bank. In the agreements with the five remaining countries, Poland, Spain, Yugoslavia, and the United Kingdom and Burma, no provision was made for loans under section 104 (e).

As the following table indicates, the currencies which are to be made available to the bank under the sales agreements announced to date represent a little more than 10 percent of the total market value of the sales agreements announced since August 1957.

*Status of title I, Public Law 480 sales agreements program—July 1, 1957, through May 31, 1958*

| Country             | Market value<br>of program | Provision for 104 (e) loans |          |
|---------------------|----------------------------|-----------------------------|----------|
|                     |                            | Percent                     | Amount   |
|                     | Millions                   |                             | Millions |
| Burma.....          | \$18.0                     |                             |          |
| China (Taiwan)..... | 12.1                       | 25                          | \$3.0    |
| Colombia.....       | 8.7                        | 25                          | 2.2      |
| Finland.....        | 9.0                        | 25                          | 2.3      |
| France.....         | 25.7                       | 25                          | 6.4      |
| Greece.....         | 19.8                       | 15                          | 2.9      |
| Iceland.....        | 3.0                        | 25                          | .7       |
| Israel.....         | 35.0                       | 25                          | 8.7      |
| Italy.....          | 25.0                       | 25                          | 6.2      |
| Korea.....          | 50.0                       | 4                           | 2.0      |
| Mexico.....         | 28.2                       | 25                          | 7.1      |
| Pakistan.....       | 65.4                       | 25                          | 16.4     |
| Peru.....           | 7.8                        | 25                          | 1.9      |
| Poland.....         | 119.1                      |                             |          |
| Spain.....          | 73.2                       |                             |          |
| Turkey.....         | 46.8                       | 15                          | 7.0      |
| United Kingdom..... | 13.0                       |                             |          |
| Yugoslavia.....     | 70.0                       |                             |          |
| Total.....          | 629.8                      |                             | 66.8     |

Shortly after the enactment of the amendment providing for loans under section 104 (e) the bank established the general policies which it will follow in making such loans. These are: (1) The loans will be made and be repayable in local currencies, i. e., no maintenance of value commitment will be required; (2) as a corollary of this policy, the interest rates will be similar to those charged for comparable loans in the purchasing country; (3) the maturities will correspond to those used in the bank's dollar loans to private borrowers; and (4) the loans may be made for any purpose consistent with the general objectives of the legislation, which are stated broadly enough to include the

provision of working capital as well as the financing of fixed asset acquisitions. These basic policies were announced by the bank on September 10, 1957, well before the first sales agreement, including section 104 (e) funds, with Mexico, was announced on October 23, 1957.

Shortly after the announcement of each sales agreement providing for 104 (e) loans the bank has announced it will receive applications and in so doing has stated that it will not authorize credits until funds are made available to the bank; that is, until the commodities have been delivered and paid for and a portion of the proceeds has been apportioned to the bank for 104 (e) loans.

Up to this time no such apportionment has occurred and no credits have been announced. However, in one country, Mexico, the work is sufficiently far advanced so that an apportionment has been requested. It is anticipated that some loans will be announced soon.

The bank has handled a large number of inquiries and applications for loans in 10 countries. About 120 active applications are on file. About 80 percent of the active applications are from United States firms or firms claiming an affiliation with a United States firm. The remaining 20 percent are from firms which do not claim an affiliation with a United States firm and all but a few of these are applications for loans in Israeli pounds.

The response to the bank's invitation to submit applications has varied greatly from country to country. There was a heavy demand for Mexican pesos and by March 1958 there were on hand active applications aggregating more than four times the maximum amount which the bank could receive under the current sales agreement. Since the receipt of additional applications would serve no useful purpose, the bank announced on March 17 that no more applications for loans in Mexican pesos would be accepted.

There was also a large response in the case of Israeli pounds. Since applications which were active on May 15, 1958, aggregated about three times the maximum amount the bank could receive, the bank announced that it would accept no applications for loans in Israeli pounds after May 31, 1958.

In addition to Mexico and Israel, it appears likely that there will also be a substantial excess of applications for Colombia, France, and Peru.

The amendment to section 104 (e) prohibits loans to finance the manufacture of products to be exported to the United States in competition with products produced in the United States, as well as loans for the manufacture or production of commodities to be marketed in competition with United States agricultural commodities or the products thereof. To date the first of these prohibitions has become an issue in only a few cases, but the question of the possible application of the second prohibition is raised fairly frequently. In interpreting these prohibitions the bank has asked for the assistance of the relevant United States Embassy, as well as the Departments of Agriculture and Commerce. The advice of the Embassy and the Department of Agriculture are also solicited in those cases where the eligibility of the applicant depends on a showing that its activities will expand the markets for and consumption of United States agricultural products abroad.

## MILITARY AND OTHER ASSISTANCE

In addition to assisting the economic development of friendly countries, title I foreign currencies are made available for common defense purposes under section 104 (c). Military assistance is provided through the procurement of materials, facilities, and services, and through the support of military budgets of certain mutual-security countries. Through May 31, 1958, the equivalent of nearly \$300 million has been reserved for these purposes, the great bulk of which is being used in Korea, Pakistan, and Yugoslavia. Smaller amounts are being used for projects in Bolivia, Brazil, Chile, China (Taiwan), Colombia, Iran, Peru, and the Philippines, and arrangements are now being made to use some of these funds in Spain. Nearly two-thirds of the amount of currencies set aside for this use has been allocated by the International Cooperation Administration and the Defense Department for planned projects, and nearly one-third of the funds has been disbursed. Important Inter-American Geodetic Survey mapping projects are being carried on in South America while in Korea and Pakistan most of the currencies are being used for support of the military budget.

Assistance is given other friendly countries through the purchase of goods or services under section 104 (d). This program is administered by the International Cooperation Administration and is coordinated with mutual-security plans and programs. This program involves the use of currencies in one country to finance purchases for third countries. The following table indicates the countries in which sales proceeds will be used and the countries for which purchases have been programed. This information represents activities through December 31, 1957.

[In million dollars <sup>1</sup> equivalent]

| Sales proceeds from— |        | Purchases programed for—                   |        |
|----------------------|--------|--------------------------------------------|--------|
| Country              | Amount | Country                                    | Amount |
| Austria.....         | 3.1    | Burma.....                                 | 5.0    |
| France.....          | .8     | Ceylon.....                                | 1.8    |
| Finland.....         | 13.0   | India.....                                 | 1.4    |
| India.....           | 5.0    | Indonesia.....                             | 1.7    |
| Italy.....           | 10.0   | Israel.....                                | 5.0    |
| Japan.....           | 10.9   | Korea.....                                 | 2.5    |
|                      |        | Pakistan.....                              | 1.4    |
|                      |        | Ryukyu Islands.....                        | 3.3    |
|                      |        | Spain.....                                 | 3.1    |
|                      |        | Taiwan.....                                | 1.2    |
|                      |        | Thailand.....                              | 1.4    |
|                      |        | Vietnam.....                               | 1.8    |
| Total.....           | 42.8   | Total.....                                 | 29.6   |
|                      |        | Adjustment (difference in exchange rates). | 3.4    |
|                      |        | Grand total.....                           | 33.0   |

<sup>1</sup> The dollar equivalent value assigned to sales proceeds earmarked or allocated reflects deposit rates agreed upon at the time the sales agreements were negotiated. The dollar equivalent value assigned to currencies programed for purchases reflects current exchange rates for exports.



## AGRICULTURAL MARKET DEVELOPMENT

Although relatively small in size, the program to use foreign currencies for agricultural market development is one of the most important aspects of the program. The Department of Agriculture conducts market development work principally in two ways: First, through development projects usually performed in connection with private trade organizations, and second, through exhibits of agricultural commodities in trade fairs. Through May 31, 1958, projects and trade fairs have been developed or conducted for the use of about \$10.4 million in foreign currencies, plus contributions by private trade groups of more than \$3.3 million in funds, personnel, and services. A summary of this program follows:

| Periods                             | Number of projects <sup>1</sup> | USDA contribution <sup>2</sup> | Cooperator contribution | Total            |
|-------------------------------------|---------------------------------|--------------------------------|-------------------------|------------------|
|                                     |                                 | <i>Thousands</i>               | <i>Thousands</i>        | <i>Thousands</i> |
| Fiscal year 1956.....               | 17                              | \$1,426                        | \$165                   | \$1,591          |
| Fiscal year 1957.....               | 94                              | 5,300                          | 2,271                   | 7,571            |
| July-December 1957.....             | 52                              | 2,385                          | 365                     | 2,750            |
| January-May 1958 <sup>3</sup> ..... | 41                              | 1,279                          | 433                     | 1,712            |
| Total.....                          | 204                             | 10,390                         | 3,234                   | 13,624           |

<sup>1</sup> Subject to adjustment upon final accounting.

<sup>2</sup> Cooperator, trade fair, and Department of Agriculture projects.

<sup>3</sup> Approximate dollar equivalent of foreign currencies when projects approved.

Market development projects may be initiated by trade groups, private research organizations, institutions such as land-grant colleges, international organizations, or by the Department of Agriculture. Project proposals are evaluated on the basis of probable success in terms of the contribution to increased United States exports; long-range effects on total United States agricultural exports; the importance of the commodities involved to United States agriculture; the extent to which the proposal is in harmony with foreign trade policy and international obligations; and where trade groups are involved, the extent to which such groups represent commodity interests; and proposed financing.

To date, more than 200 market development projects have been undertaken in 30 countries, with 44 trade and agricultural groups cooperating. From modest beginning in fiscal year 1956, the program has become an important part of maintaining and expanding United States agricultural markets abroad.

Many United States farm commodities have been promoted, including: cotton; dairy products; fruits; grain and grain products, including rice and beans; livestock and livestock products; poultry and poultry products; seed; soybeans and soybean products; and tobacco. In addition to trade fairs, types of market development activities include: exhibits; market surveys; promotional contests; merchandising clinics; advertising campaigns; nutrition and sanitation education;

samples for display and for testing; public appearances of commodity "maids" and "queens"; visits by foreign importers to United States processing and marketing centers; translation, and distribution of promotional leaflets; motion pictures, film clips, and slides; studies of consumer demand; school lunch assistance; cooking demonstrations; and training of bakers. A summary of work undertaken in the various commodity groups follows:

*Cotton.*—Under agreements between the Department of Agriculture and a trade group representing most United States cotton interests, promotional activities in nine countries are helping to increase consumer use of cotton.

Local organizations in these countries work actively with the trade group and pay half of the costs. Emphasis has been placed on fashion appeal, durability, launderability, freshness, color fastness, and other characteristics of cotton fabrics, as well as their versatility associated with weaves and finishes.

Methods used have included advertising campaigns, publicity, merchandising, training, Maid of Cotton appearances, and fashion shows.

Concurrently, American technologists are working with foreign spinners to show them how to adapt equipment and methods to take advantage of the desirable spinning quality of United States cotton.

*Dairy products.*—Dairy products and dairy cattle have been featured in international trade fairs and in market development projects carried out by three dairy trade groups cooperating with the Department of Agriculture.

In Thailand, nutritional education and the distribution of samples of recombined milk products among schoolchildren and Government workers have helped to develop a market for United States dry milk powder and anhydrous butter fat.

Sanitation education and nutrition training in Colombia are encouraging consumer acceptance of dairy products.

United States herd associations and the Department of Agriculture are acquainting Latin American buyers with the merits of United States breeding cattle.

*Poultry.*—Market surveys in Europe and South America by United States trade associations point to opportunities for increasing foreign consumption of United States table eggs, hatching eggs, chicks, and frozen eviscerated poultry.

In West Germany, promotional effort is acquainting importers, shopkeepers, and housewives with the advantages of United States ready-to-cook poultry.

Through sampling, visitors to international trade fairs have become acquainted with fresh roasted United States chicken and turkey. United States hatching eggs have been featured in displays.

*Oil and oilseeds.*—Market development surveys and promotion of soybeans and products have been undertaken by two United States trade associations. In Japan, increased consumption of both soybean food products and oil is the goal of advertising, trade fair ex-

hibits, and research. Much has been done to improve the quality and acceptability of United States soybeans arriving in Japan.

Projects in Italy and Spain promote United States soybean oil and meal.

Soybeans have rapidly become an important United States crop and export commodity. They provide an unusually valuable source of protein for man and animal. Foreign market development is contributing to United States ability to market its expanding soybean production in oil-and-protein-deficient countries abroad.

*Fruits.*—Market surveys and promotional advertising have been undertaken in Europe, especially in West Germany, by four United States fruit trade groups in cooperation with the Department of Agriculture. Newspaper advertising tied in with consumer buying research has promoted California prunes to West Germany. Raisins are being advertised similarly. A survey in Europe shows considerable opportunity for sales of cling peaches.

As economic conditions improve, opportunities arise to sell American fruit abroad. To help United States exporters use such opportunities, the Department and the fruit trade are distributing an attractive 48-page booklet printed in full color in fruit importing countries. This brochure describes and illustrates available fresh, dried, and canned fruits, as well as tree nuts.

*Grains and feed.*—The Department of Agriculture and 10 United States trade associations are developing export markets for wheat, wheat flour, rice, and edible dry beans.

In Japan, nationwide campaigns are teaching housewives, school-children, nutritionists and bakers about wheat products. Per capita wheat consumption in Japan is rising. Such activities are being extended to Southwest Asia and India. Visits to United States mid-continent wheat areas by Italian and Greek millers and buying officials are bringing a better understanding of the uses of Hard Red Winter wheat.

In Colombia, local bakery and paste industries groups are cooperating with United States flour trade groups in promoting greater use of wheat flour.

Representatives of the United States rice and dry edible beans trades are establishing trade contacts and surveying markets in Latin America.

*Livestock and meat.*—Markets for United States breeding cattle and meat industry byproducts are being developed in foreign lands by United States trade groups cooperating with the Department of Agriculture.

Visits to Japan by United States tallow representatives removed difficult trading problems and increased exports. A followup advertising campaign is helping to sell more soap products made from American tallow.

Several substantial sales of United States breeding cattle to Latin America buyers have resulted from introduction of United States animals to the region.



Declining domestic demand for meat byproducts means that foreign markets are becoming increasingly important.

*Tobacco.*—Three United States tobacco trade groups are cooperating with the Department of Agriculture to promote sales of tobacco to Asia and Europe. Key officials of the tobacco trade from Finland, Austria, France, Thailand, Japan, and Korea have been brought to the United States to study United States processing and marketing methods. Market analysis studies have been undertaken in Spain, Italy, and Pakistan. Promotional advertising in Japan has increased consumption of tobacco products containing United States leaf.

The several types of market development projects undertaken for tobacco are helping to acquaint foreign buyers with the merits of American leaf.

#### TRADE FAIRS

The Department of Agriculture has exhibited agricultural commodities at 24 international exhibitions in 14 countries to promote good will and to promote foreign markets for United States farm products. These trade fair exhibits have been viewed by 20 million people.

An excellent example of trade fair activity was the exhibit held in Osaka, Japan, in April 1958. A wide range of commodities and products was exhibited here, a country which is a large market for United States farm products such as cigarettes, soap, soybean and wheat food products, and cotton clothes and fabrics. Exhibition of these products promotes the use of tobacco, tallow, soybeans, and wheat, and cotton. For example, cotton style shows were held four times daily using Japanese models exhibiting clothes made from United States cotton. A seven-man United States agricultural market development team represented United States commodity interests and coordinated promotion efforts at the fair. The team was made up of a United States trade representative from each of the five commodity exhibits and two Department of Agriculture representatives.

#### GREATER EMPHASIS NEEDED

While the committee is gratified at the excellent progress which has been made in increasing trade promotion activities designed to establish and expand permanent commercial markets in foreign countries for United States agricultural products it takes this occasion to reiterate its statements on this matter contained in the committee report on the 1957 extension of Public Law 480 (H. Rept. 432). The committee hopes that the Department of Agriculture, the Department of State and the other agencies of our Government responsible in any way for the administration of Public Law 480 will continue to bear in mind that a major objective and purpose of that law as stated in the policy section thereof is "to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States."

In the furtherance of this objective not only should foreign currencies accruing under Public Law 480 be used to the utmost extent consistent with sound business judgment in promoting the use of American agricultural commodities abroad but, at least equally important, efforts should be made in making title I agreements to encourage the purchase of commodities by foreign countries (whether or not such surplus commodities are actually in CCC inventory) which will in themselves tend to develop a future commercial market for such commodities.

#### PAYMENT OF UNITED STATES EXPENSES ABROAD

More than 25 percent of the foreign currencies, or nearly the equivalent of \$775 million, is set aside for the payment of United States expenses overseas. Most of these funds are transferred to the United States Treasury for sale to any agency for any purpose for which an appropriation had been provided. The dollars which are used to buy these currencies return to the Commodity Credit Corporation. Typical of these expenses are United States Embassy and United States Information Service expenses overseas; considerable use has also been made for base construction in Spain and military construction and maintenance operations in Turkey. Large use is being made under this authority for the construction, rent, or other acquisition of United States military family housing and related community facilities abroad. Through May 31, 1958, the following amounts of local currency have been set aside for military family housing:

| Country          | Planned<br>under<br>agreements | Country             | Planned<br>under<br>agreements |
|------------------|--------------------------------|---------------------|--------------------------------|
|                  | <i>Million<br/>dollars</i>     |                     | <i>Million<br/>dollars</i>     |
| Austria.....     | 8.9                            | Portugal.....       | 1.5                            |
| France.....      | 6.0                            | Spain.....          | 16.0                           |
| Finland.....     | 7.0                            | United Kingdom..... | 42.9                           |
| Italy.....       | 13.0                           |                     |                                |
| Japan.....       | 24.8                           | Total.....          | 121.6                          |
| Philippines..... | 1.5                            |                     |                                |

In the case of Austria and Finland, housing materials will be purchased for use in other countries. Construction has already been completed for about 1,500 units in the United Kingdom and about 800 units in Japan, and currencies have been allocated for the construction of an additional 3,900 units in several countries.

CCC is reimbursed for currencies used for military family housing from appropriations available for the payment of quarters allowances, such reimbursement to be made over a period of time to the extent the housing is occupied.

## INFORMATION AND EDUCATION PROGRAMS

Important programs conducted by the Department of State and the United States Information Agency are being expanded through the use of foreign currencies. Section 104 (h) is a means by which the educational exchange program authorized by the Congress is being enlarged to help promote mutual understanding between the people of the United States and those of other countries. The program involves the exchange of students, teachers, lecturers, and professors in support of the programs authorized under the Fulbright Act. The following table shows the countries in which educational exchange programs are authorized and actual agreements concluded since the beginning of the program through May 31, 1958:

*International educational authorizations since beginning of program*  
[In thousand-dollar equivalent]

| Country             | Executive author-ized | Agree-ments concluded | Country                    | Executive author-ized | Agree-ments concluded |
|---------------------|-----------------------|-----------------------|----------------------------|-----------------------|-----------------------|
| Argentina.....      | 600                   | 600                   | Japan.....                 | 2,066                 | 2,066                 |
| Austria.....        | 250                   |                       | Korea.....                 | 900                   |                       |
| Bolivia.....        | 200                   |                       | Mexico.....                | 1,250                 |                       |
| Brazil.....         | 980                   | 980                   | Pakistan.....              | 1,050                 | 1,050                 |
| Chile.....          | 1,250                 | 500                   | Paraguay.....              | 150                   | 150                   |
| China (Taiwan)..... | 750                   | 750                   | Peru.....                  | 500                   | 500                   |
| Colombia.....       | 500                   | 500                   | Philippines.....           | 750                   |                       |
| Ecuador.....        | 300                   | 300                   | Portugal.....              | 300                   |                       |
| Egypt.....          | 750                   |                       | Spain.....                 | 600                   |                       |
| Finland.....        | 1,000                 | 250                   | Sweden <sup>1</sup> .....  | 300                   |                       |
| France.....         | 1,000                 |                       | Thailand.....              | 600                   | 400                   |
| Iceland.....        | 150                   |                       | Turkey.....                | 750                   | 750                   |
| India.....          | 1,800                 |                       | Uruguay <sup>1</sup> ..... | 300                   |                       |
| Indonesia.....      | 600                   |                       |                            |                       |                       |
| Iran.....           | 750                   | 750                   | Total.....                 | 20,396                | 9,546                 |

<sup>1</sup> Funds for reinstating the Public Law 584 program with Sweden will come from the conversion of lira funds generated by Public Law 480 sales in Italy; the funds for initiating a Public Law 584 program with Uruguay will be by the conversion of funds generated under Public Law 480 sales in Peru.

Under section 104 (i) of the act the United States Information Agency administers the program for the translation, publication, and distribution of free world United States-oriented textbooks in local languages for sale at prices which students and ministries of education can afford to pay. Examples of programs being carried on are those in Austria, Colombia, Finland, and Turkey. In Austria, Colombia, and Turkey the United States textbooks are being translated covering a wide range of subjects including economics, political science, geography, commerce, natural science, and social studies. The foreign currencies in Finland are being used to purchase paper for use in other countries.

Under section 104 (j) programs are carried out by the Department of State and the United States Information Agency for the expansion



and improvement of American-sponsored schools, libraries, and binational centers. Foreign currencies to support American-sponsored schools have been allocated in Brazil, Colombia, Ecuador, Greece, Italy, Peru, and Turkey. The program to assist libraries and binational centers is primarily designed to acquire or construct buildings and facilities for these purposes. These programs include plans for buildings in Bolivia, Brazil, Colombia, Peru and Turkey.

#### COUNTRY BREAKDOWN OF CURRENCIES

The following table indicates plans for use of all foreign currencies being generated for sales agreements concluded through May 31, 1958.

*Planned uses of foreign currency under title I, Public Law 480, agreements signed from beginning of program through May 31, 1958<sup>1</sup>*  
 [Amounts are in millions of dollars equivalent at the deposit rate of exchange]

| Country                    | Total amount programmed (market value including O. T.) | Market development 104 (a) | Purchase of strategic material 104 (b) | Military procure-ment 104 (c) | Purchase of goods for other countries <sup>2</sup> 104 (d) | Grants for multitrade and economic development 104 (e) | Loans to private enterprise 104 (e) | Payment of United States obligations <sup>3</sup> 104 (f) | Loans to foreign governments 104 (g) | International educational exchange 104 (h) | Translation and publication 104 (i) | Information and education 104 (j) |
|----------------------------|--------------------------------------------------------|----------------------------|----------------------------------------|-------------------------------|------------------------------------------------------------|--------------------------------------------------------|-------------------------------------|-----------------------------------------------------------|--------------------------------------|--------------------------------------------|-------------------------------------|-----------------------------------|
| Argentina.....             | \$31.1                                                 | \$0.6                      |                                        |                               | ( <sup>2</sup> )                                           |                                                        |                                     | \$9.8                                                     | \$20.0                               | \$0.7                                      | \$0.1                               | \$0.6                             |
| Austria.....               | 42.9                                                   | 1.0                        |                                        |                               | \$3.1                                                      |                                                        |                                     | 11.8                                                      | 26.3                                 |                                            |                                     |                                   |
| Bolivia.....               | 6.8                                                    | 1.3                        |                                        |                               |                                                            |                                                        |                                     | 5.4                                                       | 5.4                                  | .2                                         |                                     | .2                                |
| Brazil.....                | 179.9                                                  | 2.7                        |                                        | ( <sup>1</sup> ) \$2.0        |                                                            |                                                        |                                     | 22.3                                                      | 149.4                                | 2.1                                        | .5                                  | .9                                |
| Burma.....                 | 40.7                                                   | .9                         |                                        |                               | ( <sup>2</sup> )                                           |                                                        |                                     | 6.0                                                       | 32.5                                 | 1.2                                        |                                     | .8                                |
| Chile.....                 | 39.6                                                   | .8                         |                                        | .1                            |                                                            |                                                        |                                     | 3.8                                                       | 31.7                                 | 1.3                                        |                                     |                                   |
| China (Taiwan).....        | 21.9                                                   | .7                         |                                        | 10.9                          |                                                            |                                                        | \$3.0                               | 6.0                                                       |                                      |                                            |                                     |                                   |
| Colombia.....              | 38.7                                                   | 1.1                        |                                        | .1                            | ( <sup>2</sup> )                                           |                                                        | 2.2                                 | 6.4                                                       | 26.5                                 | .6                                         | .1                                  | 1.7                               |
| Ecuador.....               | 8.1                                                    | .4                         |                                        |                               |                                                            |                                                        |                                     | .8                                                        | 6.3                                  | .4                                         |                                     | .2                                |
| Egypt.....                 | 19.6                                                   | .5                         |                                        |                               |                                                            |                                                        |                                     | 4.7                                                       | 13.6                                 | .8                                         |                                     |                                   |
| Finland.....               | 36.1                                                   | .5                         |                                        |                               | <sup>2</sup> 13.0                                          |                                                        | 2.3                                 | 18.8                                                      |                                      | 1.0                                        |                                     |                                   |
| France.....                | 27.7                                                   | 1.6                        |                                        |                               | 4.6                                                        |                                                        | 6.4                                 | 13.4                                                      |                                      | 1.0                                        | .2                                  | .7                                |
| Germany.....               | 1.2                                                    | 1.1                        |                                        |                               |                                                            |                                                        |                                     |                                                           |                                      |                                            |                                     |                                   |
| Greece.....                | 66.0                                                   | 1.8                        |                                        |                               |                                                            |                                                        | 2.9                                 | 14.4                                                      | 37.4                                 | .5                                         |                                     | 1.5                               |
| Iceland.....               | 5.8                                                    | .1                         |                                        |                               |                                                            | \$7.5                                                  | .7                                  | .9                                                        | 3.9                                  | .2                                         |                                     |                                   |
| India, 3-year program..... | 362.4                                                  | 4.0                        |                                        |                               | <sup>2</sup> 5.0                                           | 54.0                                                   |                                     | 61.2                                                      | 234.1                                | 1.8                                        | 1.1                                 | 1.                                |
| Indonesia.....             | 96.7                                                   | 1.0                        | \$2.0                                  |                               |                                                            |                                                        |                                     | 15.7                                                      | 77.4                                 | .6                                         |                                     |                                   |
| Iran.....                  | 12.4                                                   | .2                         |                                        | 6.0                           |                                                            |                                                        |                                     | 2.8                                                       | 2.6                                  | .8                                         |                                     |                                   |
| Israel.....                | 86.6                                                   | 7.7                        |                                        |                               | ( <sup>2</sup> )                                           |                                                        | 8.7                                 | 19.4                                                      | 57.8                                 |                                            |                                     |                                   |
| Italy.....                 | 152.9                                                  | 2.7                        |                                        |                               | <sup>2</sup> 10.0                                          |                                                        | 6.2                                 | 31.6                                                      | 100.5                                |                                            | .5                                  | 1.4                               |
| Japan.....                 | 150.8                                                  | 3.3                        |                                        |                               | 10.9                                                       |                                                        |                                     | <sup>2</sup> 25.6                                         | 108.9                                | 2.1                                        |                                     |                                   |
| Korea.....                 | 132.0                                                  | .5                         |                                        | 106.8                         |                                                            |                                                        | 2.0                                 | 21.2                                                      |                                      | 2.9                                        |                                     | .6                                |
| Mexico.....                | 28.2                                                   | 2.5                        |                                        |                               |                                                            |                                                        | 7.1                                 | 2.9                                                       | 13.6                                 | 1.2                                        |                                     | .9                                |
| Netherlands.....           | 3                                                      | .3                         |                                        |                               |                                                            |                                                        |                                     |                                                           |                                      |                                            |                                     |                                   |
| Pakistan.....              | 186.1                                                  | 2.4                        |                                        | 79.3                          |                                                            |                                                        | 16.4                                | 28.7                                                      | 54.4                                 | 2.1                                        | 1.3                                 | 1.5                               |
| Paraguay.....              | 3.0                                                    | .2                         |                                        |                               |                                                            |                                                        |                                     | 4                                                         | 2.2                                  | .2                                         |                                     |                                   |
| Peru.....                  | 25.2                                                   | 1.7                        |                                        | .1                            |                                                            |                                                        | 1.9                                 | 3.9                                                       | 16.0                                 | 1.0                                        | .2                                  | .4                                |
| Philippines.....           | 10.3                                                   | .8                         |                                        | 2.1                           |                                                            |                                                        |                                     | 1.4                                                       | 5.2                                  | .8                                         |                                     |                                   |
| Poland.....                | 138.0                                                  |                            |                                        |                               | ( <sup>2</sup> )                                           |                                                        |                                     | 138.0                                                     |                                      |                                            |                                     |                                   |
| Portugal.....              | 7.1                                                    | .3                         |                                        |                               |                                                            |                                                        |                                     | 3.1                                                       | 3.4                                  | .3                                         |                                     |                                   |
| Spain.....                 | 257.3                                                  | 3.1                        |                                        |                               |                                                            |                                                        |                                     | 106.2                                                     | 145.9                                | 1.1                                        | .5                                  | .5                                |
| Thailand.....              | 4.6                                                    | .7                         |                                        |                               |                                                            |                                                        |                                     | .8                                                        | 2.1                                  | .6                                         | .1                                  | .3                                |





The following table shows in detail actual exports under title I by commodities for 6-month periods through December 31, 1957.

*Title I, Public Law 480, shipments by 6-month periods, January 1955 through December 1957, quantity and estimated market value<sup>1</sup>*

[In thousands]

| Commodity                           | Unit       | January-June 1955 |          | July-December 1955 |          | January-June 1956 |          | July-December 1956 |           | January-June 1957 |           | July-December 1957 |           | January 1955-December 1957 |           |
|-------------------------------------|------------|-------------------|----------|--------------------|----------|-------------------|----------|--------------------|-----------|-------------------|-----------|--------------------|-----------|----------------------------|-----------|
|                                     |            | Quantity          | Value    | Quantity           | Value    | Quantity          | Value    | Quantity           | Value     | Quantity          | Value     | Quantity           | Value     | Quantity                   | Value     |
| <b>Grains:</b>                      |            |                   |          |                    |          |                   |          |                    |           |                   |           |                    |           |                            |           |
| Wheat and wheat flour....           | Bushels... | 23,756            | \$42,406 | 34,728             | \$55,871 | 58,920            | \$97,464 | 68,113             | \$108,837 | 133,472           | \$222,682 | 77,546             | \$131,049 | 396,535                    | \$658,308 |
| Corn.....                           | do.....    | ---               | ---      | 5,259              | 7,474    | 5,841             | 8,194    | 8,558              | 12,739    | 5,299             | 7,524     | 5,959              | 8,850     | 30,916                     | 44,781    |
| Barley.....                         | do.....    | 3,842             | 4,830    | 6,422              | 6,766    | 4,462             | 487      | 13,690             | 16,056    | 6,602             | 7,375     | 2,051              | 2,330     | 33,069                     | 37,844    |
| Oats.....                           | do.....    | 3,440             | 3,034    | 1,306              | 927      | ---               | ---      | 815                | 588       | 140               | 101       | ---                | ---       | 5,701                      | 4,650     |
| Grain sorghums.....                 | do.....    | 754               | 779      | 1,953              | 1,963    | 1,980             | 2,150    | ---                | ---       | ---               | ---       | ---                | ---       | 4,687                      | 4,882     |
| <b>Fats and oils:</b>               |            |                   |          |                    |          |                   |          |                    |           |                   |           |                    |           |                            |           |
| Cottonseed oil.....                 | Pounds...  | 50,702            | 7,328    | 79,910             | 12,477   | 224,820           | 36,758   | 77,934             | 12,692    | 8,534             | 1,369     | 38,703             | 6,185     | 480,623                    | 76,909    |
| Soybean oil.....                    | do.....    | ---               | ---      | 49,855             | 7,357    | 129,122           | 23,284   | 204,705            | 33,326    | 385,618           | 63,447    | 20,589             | 3,423     | 789,989                    | 130,867   |
| Linseed oil.....                    | do.....    | ---               | ---      | 2,326              | 399      | 887               | 150      | 384                | 66        | 3,581             | 546       | 640                | 79        | 7,818                      | 1,240     |
| Lard.....                           | do.....    | ---               | ---      | ---                | ---      | 105,791           | 12,918   | 14,990             | 1,835     | 63,068            | 7,926     | 2,746              | 439       | 186,595                    | 23,118    |
| Tallow.....                         | do.....    | ---               | ---      | ---                | ---      | 10,609            | 934      | 33,148             | 3,055     | 85,905            | 7,969     | 45,937             | 3,814     | 175,599                    | 15,772    |
| <b>Dairy products:</b>              |            |                   |          |                    |          |                   |          |                    |           |                   |           |                    |           |                            |           |
| Nonfat dry milk.....                | do.....    | ---               | ---      | ---                | ---      | 12,167            | 1,127    | ---                | 164       | 1,618             | 715       | 17,499             | 1,744     | 29,666                     | 2,871     |
| Dry whole milk.....                 | do.....    | ---               | ---      | ---                | ---      | ---               | ---      | 338                | 567       | ---               | ---       | 567                | 2,543     | 2,543                      | 1,117     |
| Evaporated milk.....                | do.....    | ---               | ---      | 3,262              | 430      | 2,192             | 289      | 5,078              | 679       | 4,469             | 382       | 2,079              | 309       | 17,080                     | 2,289     |
| Condensed milk.....                 | do.....    | ---               | ---      | ---                | ---      | ---               | ---      | 1,260              | 277       | 6,612             | 1,417     | 468                | 98        | 8,340                      | 1,782     |
| Anhydrous milk fat.....             | do.....    | ---               | ---      | ---                | ---      | ---               | ---      | 43                 | 10        | 5,067             | 1,264     | 155                | 44        | 37                         | 20        |
| Cheese.....                         | do.....    | ---               | ---      | 2,485              | 621      | ---               | ---      | ---                | ---       | ---               | ---       | 654                | 255       | 7,750                      | 1,939     |
| Butter.....                         | do.....    | 2,453             | 962      | 4,745              | 1,853    | ---               | ---      | 1,630              | 851       | ---               | ---       | ---                | ---       | 1,630                      | 3,070     |
| Butter oil.....                     | do.....    | ---               | ---      | ---                | ---      | ---               | ---      | 1,971              | 1,064     | ---               | ---       | ---                | ---       | 4,417                      | 2,384     |
| Ghee.....                           | do.....    | ---               | ---      | ---                | ---      | ---               | ---      | ---                | ---       | ---               | ---       | ---                | ---       | 1,957                      | 130       |
| Whey.....                           | do.....    | ---               | ---      | 1,957              | 130      | ---               | ---      | ---                | ---       | ---               | ---       | 2,446              | 1,320     | ---                        | ---       |
| <b>Meat and poultry:</b>            |            |                   |          |                    |          |                   |          |                    |           |                   |           |                    |           |                            |           |
| Beef.....                           | do.....    | ---               | ---      | ---                | ---      | ---               | ---      | 24,373             | 7,761     | 50,874            | 14,371    | 11,119             | 2,944     | 90,850                     | 26,884    |
| Canned pork products.....           | do.....    | ---               | ---      | 4,484              | 1,808    | ---               | ---      | 661                | 354       | 18,682            | 9,233     | 216                | 72        | 19,559                     | 9,659     |
| Poultry.....                        | do.....    | ---               | ---      | ---                | ---      | 185               | 50       | 4,024              | 1,081     | 245               | 66        | ---                | ---       | 4,454                      | 1,197     |
| <b>Fresh fruits and vegetables:</b> |            |                   |          |                    |          |                   |          |                    |           |                   |           |                    |           |                            |           |
| Canned fruit and juices.....        | do.....    | ---               | ---      | ---                | ---      | ---               | ---      | 40                 | 5         | 740               | 86        | 2,822              | 373       | 2,602                      | 464       |
| Fresh fruits.....                   | do.....    | ---               | ---      | ---                | ---      | ---               | ---      | 1,078              | 75        | 306               | 15        | 24,056             | 1,190     | 25,440                     | 1,280     |

[illegible]

<sup>1</sup> Quantity is based on tonnage shown on ocean bills of lading. Value is estimated export market value, basis United States port of export. Estimates are revised to reflect actual amounts financed by CCC when this information is obtained for completed

P. A.'s.  
reports.

These revisions account for most differences from amounts shown on previous

## TITLE II—EMERGENCY ASSISTANCE PROGRAMS

Title II of Public Law 480 authorizes the use of up to \$800 million in commodities held in stock by CCC to help friendly foreign people to meet famine or other urgent or extraordinary relief requirements. Payment of ocean-freight costs on these commodities may be financed from this authorization, as well as on donations of surplus foods for use abroad under title III of the act. ICA is responsible for administering this program.

Donations under title II may be made to peoples of friendly nations as well as to friendly people of countries without regard to the friendliness of their governments. It is a means by which the President can make commodities available quickly in any part of the world when flood, drought, or other natural disaster might strike.

Title II programs have been used for a wide variety of humanitarian purposes. For example, 100,000 tons of corn was authorized for shipment to Austria. The feed grains were sold to generate local currency proceeds which in turn were used to help the Austrian Government meet emergency costs for Hungarian refugee relief purposes. About 15,000 tons of rice has been authorized recently to be shipped to Ceylon to relieve emergency conditions caused by floods. Floods in West Pakistan which destroyed food grain stocks and standing crops resulted in the shipment of 50,000 tons of wheat to that area.

Previously authorized programs include the shipment of 50,000 tons to Morocco because of drought conditions, and shipment of about 20,000 tons of wheat, 70,000 tons of corn and other feed grains to southern Peru, also because of drought. Although most donations under title II are conducted on a government-to-government basis, on occasion commodities are supplied through United States voluntary relief agencies. For example, \$6 million worth of cotton was authorized for shipment to Germany, Italy, Spain, and Korea to manufacture bedding and other cotton goods for use in charitable institutions and free distribution to the needy. Extensive child feeding programs are authorized under title II. Dry milk, cheese, and flour have been supplied to Tunisia for this purpose and commodities are also being furnished to Japan and Italy to expand school-lunch programs in these countries.

Through April 30, 1958, programs aggregating more than \$435 million have been authorized. These programs total about \$372 million worth of commodities with the remainder authorized to pay ocean transportation costs for title II shipments and title III foreign donations. The following table shows the status of programs authorized since the beginning of the program through April 30, 1958.



*Transfer authorizations, Public Law 480, title II, programs, fiscal year 1958 and cumulative programs as of Apr. 30, 1958*

[In thousands of dollars]

|                                               | Total   | Bread grains | Coarse grains | Fats and oils | Dry beans | Milk and milk products | Rice   | Raw cotton |
|-----------------------------------------------|---------|--------------|---------------|---------------|-----------|------------------------|--------|------------|
| Fiscal year 1955.....                         | 107,826 | 63,201       | 10,755        | 15,400        | 2,327     | 4,888                  | 5,591  | 5,664      |
| Fiscal year 1956.....                         | 101,033 | 35,790       | 5,877         | 14,331        | 998       | 21,681                 | 20,595 | 1,761      |
| Fiscal year 1957.....                         | 109,565 | 61,301       | 7,867         | 2,249         | 670       | 26,546                 | 4,862  | 6,070      |
| Fiscal year 1958 program:                     |         |              |               |               |           |                        |        |            |
| Europe, total.....                            | 23,281  | 6,900        | 16,381        |               |           |                        |        |            |
| Austria.....                                  | 15,481  |              | 15,481        |               |           |                        |        |            |
| Italy.....                                    | 7,800   | 6,900        | 1,900         |               |           |                        |        |            |
| Africa, total.....                            | 4,340   | 3,900        |               |               |           | 440                    |        |            |
| Tunisia.....                                  | 4,340   | 3,900        |               |               |           | 440                    |        |            |
| Near East and South Asia, total.....          | 24,810  | 20,310       |               |               |           |                        | 4,500  |            |
| Afghanistan.....                              | 5,700   | 5,700        |               |               |           |                        |        |            |
| Ceylon.....                                   | 9,050   | 4,550        |               |               |           |                        | 4,500  |            |
| Pakistan.....                                 | 7,000   | 7,000        |               |               |           |                        |        |            |
| Nepal.....                                    | 3,060   | 3,060        |               |               |           |                        |        |            |
| Far East and Pacific, total.....              | 1,700   |              |               |               |           |                        | 1,700  |            |
| Ryukyu Islands.....                           | 1,700   |              |               |               |           |                        | 1,700  |            |
| Total fiscal year 1958 commodity program..... | 54,131  | 31,110       | 16,381        |               |           | 440                    | 6,200  |            |
| Grand total.....                              | 436,397 | 191,402      | 40,880        | 31,980        | 3,995     | 53,555                 | 37,248 | 13,495     |
| Commodities.....                              | 372,555 | 191,402      | 40,880        | 31,980        | 3,995     | 53,555                 | 37,248 | 13,495     |
| Ocean freight:                                |         |              |               |               |           |                        |        |            |
| Title II shipments.....                       | 15,314  |              |               |               |           |                        |        |            |
| Title III foreign donations.....              | 48,528  |              |               |               |           |                        |        |            |

1 Cornmeal.

## TITLE III—DOMESTIC AND FOREIGN DONATIONS—BARTER

## DONATIONS

Title III of Public Law 480 expands the authority to donate agricultural surpluses for distribution in the United States and for shipment abroad through nonprofit voluntary agencies and intergovernmental organizations.

First priority for the distribution of surpluses is for programs within the United States. The domestic program is administered by agencies of the State governments operating under agreements with the Department of Agriculture. The State agencies order commodities from Department inventories and arrange for local receipt, storage, and for ultimate distribution to eligible recipients. These donations are supplemental to those made under section 32 of the Agricultural Act of 1935. Recipients of these commodities include children in public and private schools, persons in charitable institutions, and needy persons in family units. The program provides wholesome, high quality foods which result in better lunches for schoolchildren and improved levels of diets for needy persons.

Most voluntary relief agencies and intergovernmental organizations had been moving food abroad on regular relief programs prior to 1954. Under title III, these organizations are now able to distribute considerably larger amounts of food because the United States donates the commodities, pays processing and packaging costs, and, in some cases, pays the ocean transportation costs. This program is popular because the foods are given directly to persons unable to buy sufficient food. The commodities are marked as gifts from the people of the United States.

The following tables indicate the quantities of foods donated for domestic uses during the fiscal year 1957 and during the first 9 months of this year including donation under section 32.

Also shown is the value of commodities made available for donation abroad, by country, during the first 3 years that Public Law 480 was in effect.

*Quantities of surplus foods donated for domestic use, fiscal year 1957, and estimated, July to March, fiscal year 1958*

[In million pounds]

| Commodity                    | Domestic         |                                 |                  |                                 |                  |                                 |                  |                                 |
|------------------------------|------------------|---------------------------------|------------------|---------------------------------|------------------|---------------------------------|------------------|---------------------------------|
|                              | Schools          |                                 | Institutions     |                                 | Needy persons    |                                 | Total            |                                 |
|                              | Fiscal year 1957 | July to March, fiscal year 1958 | Fiscal year 1957 | July to March, fiscal year 1958 | Fiscal year 1957 | July to March, fiscal year 1958 | Fiscal year 1957 | July to March, fiscal year 1958 |
| Beans, dry.....              | 28.3             | 14.8                            | 9.2              | 0.2                             | 42.9             | 0.9                             | 80.4             | 15.9                            |
| Butter.....                  | 46.3             | 58.6                            | 9.4              | 18.8                            | 12.5             | 2.0                             | 68.2             | 79.4                            |
| Butter oil.....              |                  |                                 |                  |                                 |                  |                                 |                  |                                 |
| Cheese.....                  | 31.7             | 26.2                            | 15.6             | 9.5                             | 71.6             | 41.5                            | 118.9            | 77.2                            |
| Cornmeal.....                | 17.7             | 14.6                            | 9.5              | 5.8                             | 89.9             | 61.3                            | 117.1            | 81.7                            |
| Corn.....                    | .5               |                                 | .4               |                                 |                  |                                 | .9               |                                 |
| Cottonseed oil.....          |                  |                                 |                  |                                 |                  |                                 |                  |                                 |
| Eggs, shell.....             | 30.0             |                                 | 7.2              |                                 |                  |                                 | 37.2             |                                 |
| Egg solids, dried.....       |                  | 4.7                             |                  |                                 |                  |                                 |                  | 4.7                             |
| Flour.....                   | 46.1             | 52.8                            | 56.8             | 51.9                            | 140.8            | 102.6                           | 243.7            | 207.3                           |
| Grapefruit, canned.....      |                  | 6.5                             |                  |                                 |                  |                                 |                  | 6.5                             |
| Ground beef— frozen.....     | 71.3             |                                 |                  |                                 |                  |                                 | 71.3             |                                 |
| Lard.....                    | 16.5             |                                 | 6.0              |                                 | 1.6              |                                 | 24.1             |                                 |
| Milk, nonfat, dry.....       | 23.6             | 17.7                            | 15.5             | 9.3                             | 82.7             | 56.3                            | 121.8            | 83.3                            |
| Peanut butter.....           |                  | 4.9                             |                  |                                 |                  |                                 |                  | 4.9                             |
| Pork, corned and frozen..... | 52.1             |                                 |                  |                                 | 1.2              |                                 | 52.3             |                                 |
| Rice.....                    | 21.9             | 17.3                            | 10.8             | 6.2                             | 47.6             | 37.5                            | 80.3             | 61.0                            |
| Turkeys, frozen.....         | 22.6             |                                 | 2.6              |                                 |                  |                                 | 25.2             |                                 |
| Wheat.....                   | 1.9              |                                 | 6.4              |                                 | ( <sup>2</sup> ) |                                 | 8.3              |                                 |
| Other <sup>1</sup> .....     | 7.1              |                                 | 5.1              |                                 |                  |                                 | 12.2             |                                 |
| Total.....                   | 417.6            | 218.1                           | 154.5            | 101.7                           | 489.8            | 302.1                           | 1,061.9          | 621.9                           |

<sup>1</sup> Special distribution for hurricane disaster relief in Puerto Rico.

<sup>2</sup> Less than 50,000 pounds.

<sup>3</sup> Includes commodities distributed domestically in limited amounts during fiscal year 1957: Cabbage, fresh plums, sweetpotatoes, and cottonseed oil.

*Title III, Public Law 480—Sec. 416, foreign donations, fiscal years 1955-57*

[Thousand pounds—thousand dollars]

| Country                        | 1955   |        | 1956    |        | 1957    |        |
|--------------------------------|--------|--------|---------|--------|---------|--------|
|                                | Pounds | Cost   | Pounds  | Cost   | Pounds  | Cost   |
| Aden.....                      |        |        |         |        | 36      | \$7    |
| Afghanistan.....               |        |        | 229     | \$42   | 250     | 51     |
| Africa, French Equatorial..... |        |        |         |        |         |        |
| Africa, West French.....       |        |        | 110     | 20     | 1,070   | 219    |
| Algeria.....                   |        |        | 124     | 31     | 7,737   | 850    |
| Antigua.....                   | 500    | \$92   | 415     | 76     |         |        |
| Austria.....                   | 7,564  | 3,360  | 23,521  | 10,667 | 11,856  | 3,203  |
| Bahama Islands.....            |        |        | 255     | 107    | 247     | 78     |
| Belgian Congo.....             |        |        |         |        |         |        |
| Belgium.....                   | 85     | 35     | 195     | 89     | 250     | 59     |
| Bolivia.....                   | 3,994  | 1,412  | 9,062   | 2,723  | 6,453   | 1,175  |
| Brazil.....                    | 12,282 | 2,542  | 25,912  | 5,369  | 11,117  | 1,942  |
| Burma.....                     | 498    | 91     | 1,639   | 302    | 1,816   | 356    |
| Cambodia.....                  |        |        |         |        | 126     | 26     |
| Canary Islands.....            |        |        | 480     | 18     |         |        |
| Ceylon.....                    | 449    | 82     | 477     | 88     | 40,267  | 5,306  |
| Chile.....                     | 1,065  | 195    | 1,122   | 238    | 8,481   | 1,082  |
| China.....                     |        |        |         |        |         |        |
| Colombia.....                  | 4,381  | 946    | 13,982  | 3,164  | 16,860  | 2,872  |
| Costa Rica.....                |        |        | 132     | 52     | 1,086   | 359    |
| Czechoslovakia.....            |        |        |         |        |         |        |
| Dominica.....                  |        |        | 866     | 159    |         |        |
| Ecuador.....                   | 874    | 160    | 688     | 176    | 1,437   | 242    |
| Egypt.....                     | 57,758 | 23,544 | 35,960  | 17,514 | 2,694   | 274    |
| England.....                   | 90     | 49     | 149     | 56     | 54      | 18     |
| Ethiopia.....                  |        |        | 144     | 26     | 36      | 7      |
| Finland.....                   | 1,000  | 737    | 2,200   | 1,423  |         |        |
| Formosa.....                   | 9,720  | 2,603  | 48,636  | 9,612  | 91,064  | 10,529 |
| France.....                    | 6,124  | 2,840  | 12,182  | 6,413  | 2,773   | 568    |
| Gambia.....                    |        |        | 263     | 48     | 351     | 72     |
| Gaza.....                      |        |        |         |        | 882     | 181    |
| Germany.....                   | 44,611 | 18,530 | 85,915  | 33,108 | 72,373  | 15,407 |
| Goa.....                       | 499    | 314    | 400     | 207    | 350     | 62     |
| Gold Coast.....                | 54     | 10     | 875     | 371    | 215     | 79     |
| Greece.....                    | 29,526 | 12,787 | 62,063  | 22,084 | 98,682  | 14,902 |
| Grenada.....                   |        |        | 338     | 62     | 338     | 69     |
| Guadaloupe.....                |        |        |         |        | 135     | 39     |
| Guatemala.....                 | 1,385  | 254    |         |        | 1,594   | 327    |
| Guiana, British.....           |        |        | 667     | 171    | 72      | 15     |
| Guiana, French.....            |        |        | 241     | 44     | 241     | 49     |
| Haiti.....                     | 2,460  | 463    | 1,792   | 595    | 2,008   | 240    |
| Holland.....                   |        |        | 4       | (1)    |         |        |
| Honduras.....                  | 1,482  | 543    | 470     | 86     | 3,340   | 738    |
| Honduras, British.....         |        |        | 650     | 120    | 325     | 67     |
| Hong Kong.....                 | 2,689  | 631    | 21,060  | 3,460  | 52,868  | 6,625  |
| India.....                     | 60,041 | 27,890 | 76,898  | 29,318 | 86,902  | 17,841 |
| Indonesia.....                 | 999    | 202    | 3,924   | 691    | 6,334   | 1,260  |
| Iran.....                      | 2,739  | 949    | 2,643   | 927    | 5,584   | 983    |
| Iraq.....                      |        |        | 3,575   | 658    | 1,925   | 395    |
| Ireland, North.....            |        |        |         |        |         |        |
| Israel.....                    | 902    | 378    | 4,237   | 1,646  | 13,308  | 2,291  |
| Italy.....                     | 85,843 | 35,649 | 290,668 | 44,442 | 307,161 | 27,098 |
| Jamaica.....                   |        |        | 4,420   | 1,215  | 3,625   | 835    |
| Japan.....                     | 6,281  | 1,623  | 24,797  | 4,460  | 31,386  | 4,809  |
| Java.....                      | 60     | 11     |         |        |         |        |
| Jordan.....                    | 3,646  | 1,573  | 1,792   | 598    | 5,567   | 929    |
| Kenya.....                     |        |        | 510     | 130    | 520     | 107    |
| Korea.....                     | 50,041 | 10,597 | 91,209  | 16,790 | 226,331 | 27,249 |
| Laos.....                      |        |        |         |        | 208     | 29     |
| Lebanon.....                   | 537    | 139    |         |        | 1,150   | 236    |
| Liheria.....                   | 99     | 18     | 100     | 18     | 36      | 7      |
| Libya.....                     | 537    | 99     | 1,384   | 255    | 3,359   | 1,116  |
| Macao.....                     |        |        |         |        | 1,257   | 136    |
| Malay States.....              | 971    | 337    | 1,850   | 473    | 1,796   | 359    |
| Malta.....                     | 396    | 160    | 3,015   | 1,609  | 3,086   | 563    |
| Martinique.....                |        |        | 200     | 37     | 200     | 41     |
| Mexico.....                    |        |        | 1,474   | 357    | 3,163   | 426    |
| Montserrat.....                | 108    | 20     |         |        | 142     | 29     |
| Morocco, French.....           | 511    | 149    | 1,092   | 327    | 12,475  | 2,342  |
| New Guinea, Netherland.....    |        |        | 132     | 24     |         |        |
| Nigeria.....                   | 50     | 9      | 437     | 80     | 85      | 17     |
| North Borneo.....              | 40     | 7      | 140     | 26     | 120     | 25     |
| Norway.....                    |        |        |         |        |         |        |
| Nyasaland.....                 |        |        | 36      | 7      | 36      | 7      |
| Okinawa.....                   | 360    | 66     | 3,433   | 406    |         |        |

See footnote at end of table.



*Title III, Public Law 480—Sec. 416, foreign donations, fiscal years 1955–57—Con.*

| Country                      | 1955    |         | 1956      |         | 1957      |         |
|------------------------------|---------|---------|-----------|---------|-----------|---------|
|                              | Pounds  | Cost    | Pounds    | Cost    | Pounds    | Cost    |
| Pakistan.....                | 13,317  | 4,796   | 29,874    | 11,448  | 60,531    | 9,679   |
| Palestine.....               |         |         |           |         |           |         |
| Panama.....                  | 1,252   | 386     | 3,732     | 1,218   | 5,350     | 1,615   |
| Paraguay.....                | 1,095   | 201     | 593       | 109     | 1,121     | 230     |
| Peru.....                    | 4,719   | 927     | 5,690     | 978     | 6,075     | 1,122   |
| Philippine Islands.....      | 3,437   | 659     | 6,030     | 1,083   | 14,282    | 2,675   |
| Portugal.....                |         |         | 17,543    | 4,825   | 24,309    | 4,415   |
| Ryukyu Islands.....          | 1,250   | 252     | 1,880     | 416     | 4,960     | 739     |
| St. Kitts.....               |         |         | 514       | 95      | 514       | 105     |
| St. Helena.....              |         |         |           |         | 110       | 23      |
| St. Lucia.....               | 250     | 46      |           |         |           |         |
| St. Vincent.....             |         |         | 386       | 71      | 386       | 79      |
| San Salvador.....            |         |         | 1,119     | 206     | 2,475     | 601     |
| Sarawak.....                 | 305     | 56      | 1,225     | 225     | 900       | 185     |
| Scotland.....                |         |         |           |         |           |         |
| Sierra Leone.....            |         |         | 36        | 7       | 36        | 7       |
| Singapore.....               | 80      | 15      | 276       | 51      |           |         |
| Spain.....                   | 56,938  | 19,181  | 129,089   | 33,814  | 74,452    | 17,845  |
| Sudan.....                   |         |         | 36        | 7       |           |         |
| Surinam.....                 |         |         | 681       | 125     | 681       | 140     |
| Syria.....                   |         |         | 655       | 120     | 1,020     | 209     |
| Thailand.....                |         |         | 200       | 37      | 371       | 67      |
| Trieste.....                 | 1,806   | 677     | 2,255     | 848     | 7,900     | 1,440   |
| Tripoli.....                 |         |         |           |         |           |         |
| Trinidad and Tobago.....     |         |         | 680       | 125     | 301       | 62      |
| Tunisia.....                 | 379     | 125     | 394       | 104     | 2,561     | 378     |
| Turkey.....                  | 664     | 218     | 1,250     | 297     | 3,509     | 712     |
| Wales.....                   |         |         |           |         |           |         |
| Virgin Islands, British..... |         |         | 91        | 17      | 85        | 17      |
| Vietnam.....                 | 5,435   | 1,497   | 96,124    | 14,323  | 178,517   | 22,780  |
| Yugoslavia.....              | 37,807  | 16,063  | 29,141    | 8,724   | 182,191   | 31,369  |
| Total.....                   | 531,985 | 197,195 | 1,200,678 | 302,488 | 1,727,877 | 253,719 |
| Number of countries.....     | 57      |         | 84        |         | 85        |         |

<sup>1</sup> Less than \$500.

#### ALLOCATION OF PROGRAM COSTS

This committee concurs in the recommendations of the Senate Committee on Agriculture and Forestry with respect to the allocation of program costs as expressed in Senate Report No. 1357, 85th Congress. In accounts and statements dealing with price support program costs, those costs and charges connected with the donation of agricultural commodities for relief purposes, donations, or cash transfers to the armed services or to schools, and all similar uses of agricultural commodities in the furtherance of programs other than farm price support, should be allocated to the objective or program for which they are used.

#### BARTER

##### *Authority and policy*

The basic authority for the Department of Agriculture to carry on a barter program is contained in section 104 (h) of the Commodity Credit Corporation Charter Act (act of August 29, 1948) and at least four other acts of Congress. Section 303 of Public Law 480 was included in that act, therefore, not so much as additional authority as it was a declaration of policy on the part of Congress that such a program should be carried on. The reason why some such declaration of policy was necessary was because at that time there was no provision of law permitting the Commodity Credit Corporation to turn over to

other Government agencies all the materials it received in barter and receive reimbursement therefor. Those responsible for the conduct of CCC affairs understandably argued that they should not tie up substantial amounts of CCC borrowing power in strategic and other materials which, valuable as they might be to the Nation, could neither be sold by CCC nor used to carry out its price-support functions. Since that time, provisions have been made for CCC to receive reimbursement in cash or appropriations for all of the materials taken by the Corporation in barter operations.

The primary purpose of section 303, therefore, was to relieve CCC officials of the necessity for making policy determinations with respect to the advisability of the barter program and to declare as a policy of Congress that the exchange of surplus agricultural commodities which are costly to store and deteriorate in storage for strategic and other materials less subject to deterioration and less costly to store was in the public interest, was a sound protection of the funds and assets of the Commodity Credit Corporation, and was to be undertaken as a matter of policy whenever practicable. The effect of this new policy was to increase the disposal of surplus agricultural commodities by barter from a rate of a little more than \$20 million per year to a rate of almost \$300 million per year. Surpluses disposed of during this augmented barter program included more than 203 million bushels of wheat, 114 million bushels of corn, 63 million bushels of barley, 38 million bushels of rye, 39 million hundredweight of grain sorghums, and 1.4 million bales of cotton. Details are shown in the following table:

*Agricultural commodities exported under barter contracts in specified periods <sup>1</sup>*

[In thousands of units]

| Commodities               | Unit               | 1949-50<br>through<br>1953-54 | 1954-55<br>through<br>1956-57 | July-December 1957 <sup>2</sup> |                                                 |                             |
|---------------------------|--------------------|-------------------------------|-------------------------------|---------------------------------|-------------------------------------------------|-----------------------------|
|                           |                    |                               |                               | Under<br>all con-<br>tracts     | 1954-55<br>through<br>1956-57<br>con-<br>tracts | 1957-58<br>con-<br>tracts   |
| Wheat.....                | Bushel.....        | 33, 445                       | 200, 178                      | 3, 052                          | 3, 052                                          | -----                       |
| Corn.....                 | do.....            | 9, 338                        | 105, 428                      | 9, 033                          | 9, 033                                          | -----                       |
| Barley.....               | do.....            | -----                         | 62, 057                       | 1, 493                          | 1, 493                                          | -----                       |
| Oats.....                 | do.....            | -----                         | 36, 681                       | 1, 353                          | 1, 353                                          | -----                       |
| Rye.....                  | do.....            | -----                         | 11, 448                       | 130                             | 130                                             | -----                       |
| Grain sorghums.....       | Hundredweight..... | 990                           | 39, 261                       | 22                              | 22                                              | -----                       |
| Cottonseed oil.....       | Pound.....         | 4, 630                        | 34, 731                       | -----                           | -----                                           | -----                       |
| Wool.....                 | do.....            | -----                         | -----                         | 3, 063                          | 3, 063                                          | -----                       |
| Cotton <sup>3</sup> ..... | Bale.....          | 56                            | 1, 022                        | 420                             | 420                                             | -----                       |
| Others <sup>4</sup> ..... | Metric ton.....    | 20                            | 99                            | 7                               | 7                                               | -----                       |
| Total quantity.....       | do.....            | 1, 227                        | 12, 427                       | 486                             | 486                                             | -----                       |
| Total value.....          | -----              | Million<br>dollars<br>107. 6  | Million<br>dollars<br>823. 7  | Million<br>dollars<br>75. 0     | Million<br>dollars<br>75. 0                     | Million<br>dollars<br>----- |

<sup>1</sup> Year beginning July 1.

<sup>2</sup> Includes partial estimate for December.

<sup>3</sup> Represents sales with exportation to be made by July 31, 1958, under cotton export sales program announcement CN-EX-4 dated Feb. 19, 1957, as amended.

<sup>4</sup> Includes flaxseed, dried skim milk, linseed oil, cottonseed meal, soybeans, tobacco, peanuts, beans, and rice.

Forty-five countries have received agricultural commodities exported under barter arrangements under the barter program July 1, 1954, through December 31, 1957, as shown in table XV.

*Termination of program*

In May 1957, the Department brought this apparently successful program to an abrupt halt. It issued a new set of regulations which were admittedly designed, according to Department testimony before this committee, to put a stop to the barter program. That it was successful in this objective is apparent from the Seventh Semi-annual Report of the President on Public Law 480, which states that only \$3 million in barter contracts were negotiated in the 6 months starting July 1, 1957, compared with more than \$125 million in the previous 6 months' period and an average of \$145 million each 6 months during the expanded barter program.

In later testimony before the committee, Department spokesmen questioned not only the wisdom of the barter program but of the strategic materials stockpiling program. The Department's action in this matter amounted to a direct veto by one executive agency of a policy of Congress which had been specifically stated in the original enactment of Public Law 480 and reaffirmed in subsequent extensions and amendments of the act. The reason given by the Department of Agriculture for terminating this program was that it believed barter transactions were interfering with cash sales. In spite of repeated questioning by committee members, however, Department witnesses have been unable to give one single convincing instance where a barter sale has interfered with or prevented a sale for dollars.

*The nature of barter*

In order to understand fully the committee's position on this matter, it is necessary to understand the nature of barter transactions as they were carried on by the Department prior to May 28, 1957. Under this program, the Department of Agriculture received from the Office of Defense Mobilization or other sources designated by the President lists of strategic and other materials desired for stockpiling. Private trading firms having access to sources of these foreign materials would then approach the Department of Agriculture with an offer to exchange specified quantities of these materials for agricultural surpluses in the hands of the Commodity Credit Corporation. Agreement on the price to be paid by CCC for the imported materials was reached by negotiation and the record shows that Department officials did an excellent job of bargaining. Contract price of most of these materials was below the going world price. The value of the surplus agriculture commodities to be taken by the contractor in exchange for the strategic materials was established either by competitive bidding or by the export price list of the CCC, which is published monthly.

Up to this point, the transaction is true barter, with CCC exchanging its surplus agricultural commodities for imported materials of equal value. Beyond this point, however, the transaction assumes the aspects of an ordinary commercial business transaction. The materials delivered to CCC for the stockpile were normally bought by the importer for dollars or dollar equivalents. Likewise, the grain, cotton, or other surplus received by the contractor in exchange for his imported materials was sold to importers in foreign countries for dollars or the equivalent thereof. The dollars paid out for the materials obtained in the barter program invariably came back in the form of increased dollar exports from this country—both agricultural and other products.



*Barter versus dollar sales*

In actual operation, then, the movement of surplus agricultural commodities disposed of by CCC in a barter transaction was a sale for dollars through normal commercial channels stimulated by the \$300 million spent abroad each year for purchase of the incoming materials. It is difficult, therefore, to follow the reasoning of spokesmen for the Department of Agriculture that more surplus commodities owned by CCC would have been disposed of for dollars without the barter program than were disposed of with it. The Department's efforts to demonstrate this assumption on its part have been entirely unconvincing. The real question involved, it seems to the committee, is whether more agricultural surpluses were disposed of profitably in the world market with the barter program in operation or without it.

On that score, the record is clear. Agricultural exports have fallen off sharply since the termination of the barter program. The latest published figures of the Department of Agriculture show that exports of cotton in the first 10 months of the current fiscal year are 25 percent below cotton exports for the same 10 months of the 1957 fiscal year. Likewise, exports of grains and feeds are down 20 percent in the first 10 months of this fiscal year, with exports of wheat and wheat flour off 26 percent.

The following table shows the export situation in some detail. The commodities listed are those which form the major part of the barter program. The first three columns show the actual exports of these commodities under the barter program for the fiscal years 1956 and 1957 and for the first 9 months of the current fiscal year (the latest period for which data are available). Department records indicate that virtually all of the commodities which have been exported this year under the barter program were delivered under barter contracts entered into prior to the termination of the previous program on May 28, 1957. The next two columns show total exports of these commodities for the fiscal years 1957 and 1958. The 1958 figure includes estimates for the month of June. As these columns show, our total exports (and this includes all Government programs, including donations) particularly of the important commodities wheat and cotton have declined substantially in the current fiscal year. The columns headed "Outside of Government programs" gives a direct comparison of what is commonly called "cash sales for dollars" before and after the termination of the barter program. These are the sales made in the usual commercial channels without the assistance of Government programs such as sales for foreign currency, ICA grants, etc. It should be remembered, however, that even these sales included Government assistance in the form of a subsidy or of a reduced selling price for exports. From these figures, it is difficult to agree with the assumption that sales under the barter program were interfering with cash sales. Dollar sales of wheat are 99 million bushels less since the end of the barter program than they were during the comparable period immediately before the program was terminated. Likewise, sales of cotton are 570,000 bales smaller since the termination of that program than they were in the immediately previous period. Rather than interfering with cash sales, it appears from this data that barter sales were actually adding to and stimulating cash sales, since the decrease in sales under the barter program during the current fiscal year is almost directly comparable with the decrease in cash sales during the same period.

*Exports of surplus agricultural commodities, fiscal years as indicated*  
[1,000 units]

| Commodity                | Unit               | Under barter program |        |                 | All export |                   | Outside of Government programs |                 | 1958 compared with 1957 |              |
|--------------------------|--------------------|----------------------|--------|-----------------|------------|-------------------|--------------------------------|-----------------|-------------------------|--------------|
|                          |                    | 1956                 | 1957   | July-March 1958 | 1957       | 1958 <sup>1</sup> | July-March 1957                | July-March 1958 | Barter                  | Dollar sales |
|                          |                    |                      |        |                 |            |                   |                                |                 |                         |              |
| Wheat.....               | Bushels.....       | 67,420               | 86,497 | 4,929           | 549,000    | 400,000           | 218,212                        | 118,872         | -81,568                 | -99,340      |
| Corn.....                | do.....            | 55,141               | 45,904 | 9,447           | 150,000    | 180,000           | 80,585                         | 122,000         | -36,457                 | 41,415       |
| Grain sorghum.....       | Hundredweight..... | 22,089               | 12,473 | 0               | 29,000     | 35,000            | 14,221                         | 12,076          | -12,473                 | -2,145       |
| Barley.....              | Bushels.....       | 41,839               | 14,908 | 1,684           | 62,000     | 80,000            | 21,186                         | 47,561          | -13,224                 | 26,375       |
| Oats.....                | do.....            | 14,906               | 18,941 | 1,406           | 27,000     | 23,000            | 20,850                         | 15,529          | -17,535                 | -5,021       |
| Rye.....                 | do.....            | 3,912                | 7,319  | 206             | 11,000     | 4,000             | 8,647                          | 3,151           | -7,113                  | -5,496       |
| Cotton.....              | Bales.....         | 51                   | 970    | 428             | 7,300      | 5,600             | 3,826                          | 3,256           | -542                    | -570         |
| Other <sup>2</sup> ..... | Short tons.....    | 43                   | 59     | 8               |            |                   |                                |                 |                         |              |

<sup>1</sup> Partly estimated.

<sup>2</sup> Includes flaxseed, butter, dry skim milk, linseed oil, cottonseed oil, cottonseed meal, soybeans, peanuts, dry beans, and rice.

*Is barter good business?*

To the extent that the barter program is removing from CCC warehouses agricultural commodities which gradually deteriorate in value and are costly to store and replacing them with strategic and other imported materials which do not deteriorate in storage and which cost relatively little to store, the barter program is resulting in a direct saving of many millions of dollars to the Federal Government. According to figures submitted by the Department of Agriculture at the request of this committee, the storage charges on materials received through the barter program from the start of that program in 1954 to December 31, 1957, were approximately \$103 million less than the storage charges would have been on the agricultural commodities which were given in exchange. For one specific example, industrial diamonds valued at slightly more than \$26 million have been procured as part of the barter program. The entire stockpile of industrial diamonds (of which those received in barter are only a small part) is stored in a bank vault at a total storage cost of \$1,500 per year. In contrast, the equivalent value of surplus commodities given in exchange for the barter diamonds would cost CCC over \$11 million per year to store.

In addition to the direct saving to taxpayers in storage charges resulting from the barter program, it is apparent that those in charge of the barter program in the Department of Agriculture and elsewhere have done a businesslike job of bargaining in making barter contracts. Most of the materials received by CCC in exchange for agricultural surpluses were obtained at less than world prices and have actually increased in value since their acquisition and are worth more today than they were at the time they were obtained. At the request of this committee, the Department of Agriculture submitted a special report on the barter program as of December 31, 1957. This report showed that the contract value of the strategic and other materials acquired by CCC under the program was \$878.6 million while their value on the world market at that time was \$924.3 million. On December 31, 1957, these same materials had a value at world prices of \$923.8 million. Aside from the incalculable strategic value of having these materials on hand and available in the United States in case of war or other emergency, it is obvious that from a strictly business standpoint the acquisition of these materials in exchange for agricultural surpluses was good business.

*Effect on domestic industry*

A collateral effect of termination of the barter program has been felt in those industries in the United States which were processing foreign ores and metals obtained under that program. One of the policy changes announced by the Department in its statement of May 28, 1957, was that henceforth it would not receive through barter any materials other than those processed outside the United States. Prior to that time, substantial quantities of ores and metals originating outside the United States had been processed or reprocessed in this country. The operating rate in the ferroalloy industry alone, for example, dropped from 85 percent of plant capacity prior to the termination of the barter program to 43 percent at the end of the first quarter of this year.



Another collateral result of the termination of the barter program was the drop in lead and zinc prices which has seriously affected the domestic industry in these metals. As will be seen from the following table, substantial quantities of lead and zinc were acquired under the barter program. These went into the supplemental stockpile (as do all of the nonstrategic materials acquired by barter) and thus were not in competition with domestic production of lead and zinc, but the procurement under the barter program had stabilized world prices at a level which was reasonably satisfactory to domestic producers. As indicated by the following table, the price of both lead and zinc was stable at 16 and 13.5 cents per pound, respectively, from January 1956 through April 1957—the period when these metals were being procured in quantity under the barter program. Immediately following the termination of the barter program, lead dropped to approximately 14 cents per pound and zinc to 10 cents. Since then, as barter contracts became completed, lead has dropped to slightly less than 12 cents per pound, while zinc has remained at approximately 10 cents.

*Quotations on common lead in New York and prime western zinc f. o. b. St. Louis*  
[Cents per pound]

| Average monthly quotation             | Lead   | Zinc   |
|---------------------------------------|--------|--------|
| January 1956 through April 1957.....  | 16     | 13.5   |
| May 1957.....                         | 15.385 | 11.923 |
| June 1957.....                        | 14.32  | 11.36  |
| July 1957.....                        | 14     | 10.005 |
| August to September 1957.....         | 14     | 10     |
| October 1957.....                     | 13.692 | 10     |
| November 1957.....                    | 13.5   | 10     |
| December 1957 through March 1958..... | 13     | 10     |
| April 1958.....                       | 12     | 10     |
| May 1958.....                         | 11.712 | 10     |

Following is the list of materials which have been contracted for or acquired under the barter program for the supplemental stockpile. These are the so-called nonstrategic materials which are not included in the national stockpile set up by the Strategic and Critical Materials Stockpiling Act. The identity and quantity of the latter materials is classified information and cannot be included in this report.

## Supplemental stockpile materials, July 1, 1954, through Mar. 31, 1958

[In thousands]

| Material                            | Unit            | Negotiated contracts |          | Materials delivered |          | Origin country                                                                                                        |
|-------------------------------------|-----------------|----------------------|----------|---------------------|----------|-----------------------------------------------------------------------------------------------------------------------|
|                                     |                 | Quantity             | Value    | Quantity            | Value    |                                                                                                                       |
| Abrasive, crude aluminum oxide..... | Short ton.....  | 100                  | \$11,456 | 100                 | \$11,436 | Canada.                                                                                                               |
| Antimony.....                       | do.....         | 9                    | 5,065    | 7                   | 3,985    | Mexico, Yugoslavia, United Kingdom.                                                                                   |
| Asbestos, chrysotile.....           | do.....         | 2                    | 894      | 2                   | 891      | Canada.                                                                                                               |
| Bauxite.....                        | Long ton.....   | 1,440                | 20,886   | 0                   | 0        | Jamaica, Haiti, British West Indies.                                                                                  |
| Beryl ore.....                      | Short ton.....  | 1                    | 215      | 0                   | 0        | Argentina, Brazil, South Africa, South Rhodesia, Portuguese East Africa.                                              |
| Beryllium copper master alloy.....  | Pound.....      | 4,750                | 9,888    | 0                   | 0        | India.                                                                                                                |
| Bismuth.....                        | do.....         | 397                  | 893      | 397                 | 877      | United Kingdom.                                                                                                       |
| Cadmium.....                        | do.....         | 6,032                | 10,169   | 6,108               | 10,197   | Belgium, West Germany, Italy, Japan, Mexico, Peru, Spain, Canada, United Kingdom.                                     |
| Chromium, electrolytic.....         | Long ton.....   | 4                    | 11,531   | 1                   | 591      | Japan.                                                                                                                |
| Chromium, exothermic.....           | do.....         | 2                    | 4,247    | 2                   | 2,362    | West Germany, United Kingdom.                                                                                         |
| Cobalt metal.....                   | Pound.....      | 2,080                | 4,618    | 2,076               | 4,609    | Belgium, Northern Rhodesia, Belgian Congo.                                                                            |
| Diamonds.....                       | Carat.....      | 1,937                | 26,248   | 1,878               | 26,208   | Africa.                                                                                                               |
| Rare earths.....                    | Short ton.....  | 5                    | 2,000    | 5                   | 2,244    | South Africa.                                                                                                         |
| Ferrocchrome-silicon.....           | Long ton.....   | 29                   | 9,461    | 29                  | 10,291   | India, South Africa, East Africa, Southern Rhodesia, Turkey.                                                          |
| Ferromanganese.....                 | do.....         | 392                  | 79,966   | 387                 | 79,187   | Belgium, Chile, France, West Germany, India, Japan, Norway, Canada, Yugoslavia.                                       |
| Fluorspar.....                      | Short ton.....  | 250                  | 10,877   | 195                 | 8,241    | Italy, Mexico.                                                                                                        |
| Lead.....                           | do.....         | 162                  | 47,869   | 132                 | 40,144   | Australia, Bolivia, Colombia, Mexico, Peru, Spain, South Africa, Tasmania, Canada.                                    |
| Manganese electrolytic.....         | Long ton.....   | 4                    | 2,512    | 3                   | 2,113    | India, Southwest Africa.                                                                                              |
| Manganese metal.....                | do.....         | 52                   | 3,247    | 0                   | 0        | South Africa.                                                                                                         |
| Manganese ore, battery grade.....   | do.....         | 43                   | 3,562    | 12                  | 998      | Greece.                                                                                                               |
| Palladium.....                      | Troy ounce..... | 235                  | 4,550    | 191                 | 3,634    | France, United Kingdom, Netherlands, Canada, Colombia, South Africa.                                                  |
| Selenium.....                       | Pound.....      | 60                   | 435      | 0                   | 0        | Belgium, Canada, West Germany, Sweden, Japan or United Kingdom.                                                       |
| Silicon carbide.....                | Short ton.....  | 55                   | 9,894    | 16                  | 2,904    | Canada.                                                                                                               |
| Titanium sponge.....                | Long ton.....   | 9                    | 51,151   | 2                   | 16,195   | Japan.                                                                                                                |
| Zinc.....                           | Short ton.....  | 263                  | 74,193   | 254                 | 71,526   | Australia, Belgium, West Germany, Italy, Japan, Mexico, Netherlands, Northern Rhodesia, Portugal, Canada, Yugoslavia. |
| Total value.....                    |                 |                      | 406,527  |                     | 298,723  |                                                                                                                       |

Source: USDA, Apr. 30, 1958.

*Collateral benefits abroad*

One of the little-discussed but very substantial benefits that accrued under the barter program before it was discontinued by the Department was the assistance given our foreign policy by making possible purchases of strategic and other materials from countries throughout the world which, in many instances, have little other opportunity for profitable trade with the United States. It is difficult to evaluate the goodwill which was engendered by this opportunity for normal trade between the United States and these countries, but it was certainly substantial. The dollars spent for these materials were a substantial stimulant to world trade and in every case were returned in full to the United States in increased purchases of our products from the countries receiving the dollars. Dollar exports to the countries from which major purchases of barter materials were made in every case have increased over previous years at least to the value of the dollars spent in that country for these strategical and other materials.

The following table shows the value of materials delivered under the barter program for the calendar years 1954 through 1957 with the country of origin.

*Value of materials delivered under the barter program by country of origin for calendar years 1954 through 1957 (based on program operating records)*

[Value in millions of dollars]

| Country of origin         | Calendar years |        |        |       |        |
|---------------------------|----------------|--------|--------|-------|--------|
|                           | 1954           | 1955   | 1956   | 1957  | Total  |
| Africa <sup>1</sup>       | \$11.0         | \$49.5 | \$34.4 |       | \$94.9 |
| Argentina                 |                | .1     | .3     | \$0.5 | .9     |
| Australia                 |                |        | 6.0    | 10.9  | 16.9   |
| Belgian Congo             |                |        | 3.0    | 4.4   | 7.4    |
| Belgium                   |                | .3     | 6.1    | 5.8   | 12.2   |
| Bolivia                   |                |        | 1.0    | 1.1   | 2.1    |
| Brazil                    |                | .2     | .5     | 1.5   | 2.2    |
| Canada                    | 2.7            | 6.7    | 21.2   | 30.8  | 61.4   |
| Ceylon                    |                |        | .1     | .2    | .3     |
| Chile                     |                | .2     |        | 1.3   | 1.5    |
| Colombia                  | .6             | .6     | .2     |       | 1.4    |
| Cuba                      |                |        | .3     |       | .3     |
| Formosa                   |                | .1     |        |       | .1     |
| France                    | .5             | 2.0    | 9.2    | 7.8   | 19.5   |
| Ghana                     |                |        |        | .5    | .5     |
| Germany, West             | .2             | 2.0    | 14.2   | 13.5  | 29.9   |
| Greece                    |                |        | .4     | .4    | .8     |
| India                     |                | 2.0    | 4.6    | 4.1   | 10.7   |
| Italy                     |                | 2.3    | 5.2    | 3.0   | 10.5   |
| Jamaica                   |                |        |        | 1.0   | 1.0    |
| Japan                     | 3.1            | 19.7   | 15.1   | 12.2  | 50.1   |
| Madagascar                |                |        | .1     |       | .1     |
| Mexico                    |                | 2.1    | 16.1   | 27.4  | 45.6   |
| Netherlands               |                | 2.4    | 1.1    | .5    | 4.0    |
| New Caledonia             |                | 1.7    | 1.7    | .1    | 3.5    |
| Northern Rhodesia         |                |        | .2     | 7.8   | 8.0    |
| Norway                    |                | .9     | .7     |       | 1.6    |
| Peru                      |                |        | 2.4    | 9.0   | 11.4   |
| Philippine Islands        |                | 6.9    | 6.6    | 2.7   | 16.2   |
| Portugal                  |                |        | .2     |       | .2     |
| Portuguese East Africa    |                | 8.5    | 6.3    | 1.1   | 15.9   |
| South Africa              |                | 4.8    | 21.1   | 49.3  | 75.2   |
| Southwest Africa          |                |        |        | .5    | .5     |
| South Korea               |                |        | .4     |       | .4     |
| Southern Rhodesia         | .1             | .3     | 7.3    | 3.7   | 11.4   |
| Spain                     |                |        | .2     |       | .2     |
| Sweden                    |                | .3     | .1     |       | .4     |
| Tasmania                  |                |        | .6     |       | .6     |
| Tricste                   | .6             | .7     |        |       | 1.3    |
| Turkey                    |                | 9.8    | 18.3   | 23.0  | 51.1   |
| United Kingdom            |                | 2.5    | 1.7    | 1.5   | 5.7    |
| Yugoslavia                |                | .4     | .5     | 4.8   | 5.7    |
| Unidentified <sup>2</sup> |                |        |        | 5.5   | 5.5    |
| Total                     | 18.8           | 127.0  | 207.4  | 235.9 | 589.1  |

<sup>1</sup> Represents diamond deliveries for which individual countries are not available.

<sup>2</sup> Represents friendly foreign countries for which allocation not available.



At a time when the Soviet bloc is entering into an obvious campaign to make trade arrangements and establish other economic ties with many of the underdeveloped countries of the world, it seems to the committee that the opportunity for profitable trade which was afforded these countries by our now-discontinued barter program is an important consideration. Through the barter program we have an opportunity to obtain minerals and other materials which, while perhaps not urgently needed at this time, are not produced in adequate quantities in this country and, in fact, are produced in only limited quantities throughout the world. With the cutoff in the barter program, this type of trade with the United States has been virtually discontinued. The producing countries denied their opportunity to trade with the United States, will look for other buyers for their materials and in many instances those buyers will doubtless be members of the Soviet bloc.

#### CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman) :

### AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954,<sup>1</sup> AS AMENDED

#### AN ACT

To increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Agricultural Trade Development and Assistance Act of 1954".

SEC. 2. It is hereby declared to be the policy of Congress to expand international trade among the United States and friendly nations, to facilitate the convertibility of currency, to promote the economic stability of American agriculture and the national welfare, to make maximum efficient use of surplus agricultural commodities in furtherance of the foreign policy of the United States, and to stimulate and facilitate the expansion of foreign trade in agricultural commodities produced in the United States by providing a means whereby surplus agricultural commodities in excess of the usual marketings of such commodities may be sold through private trade channels, and foreign currencies accepted in payment therefor. It is further the policy to use foreign currencies which accrue to the United States under this Act to expand international trade, to encourage economic development, to purchase strategic materials, to pay United States obligations abroad, to promote collective strength, and to foster in other ways the foreign policy of the United States.

## TITLE I—SALES FOR FOREIGN CURRENCY

SEC. 101. In furtherance of this policy, the President is authorized to negotiate and carry out agreements with friendly nations or organizations of friendly nations to provide for the sale of surplus agricultural commodities for foreign currencies. In negotiating such agreements the President shall—

(a) take reasonable precautions to safeguard usual marketings of the United States and to assure that sales under this Act will not unduly disrupt world prices of agricultural commodities;

(b) take appropriate steps to assure that private trade channels are used to the maximum extent practicable both with respect to sales from privately owned stocks and from stocks owned by the Commodity Credit Corporation;

(c) give special consideration to utilizing the authority and funds provided by this Act, in order to develop and expand continuous market demand abroad for agricultural commodities, with appropriate emphasis on underdeveloped and new market areas;

(d) seek and secure commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this Act, without specific approval of the President; and

(e) afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this Act and to make effective use of the foreign currencies received to carry out the purposes of this Act. (7 U. S. C. 1701)

SEC. 102. (a) For the purpose of carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with regulations issued by the President pursuant to subsection (b) of this section, (1) shall make available for sale hereunder to domestic exporters surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price-support operations, and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities, whether from private stocks or from stocks of the Commodity Credit Corporation. In supplying such commodities to exporters under this subsection the Commodity Credit Corporation shall not be subject to the sales price restrictions in section 407 of the Agricultural Act of 1949, as amended. The commodity set-aside established for any commodity under section 101 of the Agricultural Act of 1954 (68 Stat. 897) shall be reduced by a quantity equal to the quantity of such commodity financed hereunder which is exported from private stocks.

(b) In order to facilitate and maximize the use of private channels of trade in carrying out agreements entered into pursuant to this Act, the President may, under such regulations and subject to such safeguards as he deems appropriate, provide for the issuance of letters of commitment against funds or guaranties of funds supplied by the Commodity Credit Corporation and for this purpose accounts may be established on the books of any department, agency, or establishment



of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States. Such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds.

Sec. 103. (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this Act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this Act, including processing, packaging, transportation, and handling costs, (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title and, (3) all Commodity Credit Corporation funds expended for ocean freight costs authorized under title II hereof for purposes of section 416 of the Agricultural Act of 1949, as amended. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this Act.

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of ~~[\$4,000,000,000]~~ \$5,500,000,000. This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of this Act can be achieved within the safeguards established.

Sec. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

(b) To purchase or contract to purchase strategic and critical materials, within the applicable terms of the Strategic and Critical Materials Stockpile Act, for a supplemental United States stockpile or such materials as the President may determine from time to time under contracts, including advance payment contracts, for supply extending over periods up to ten years. All strategic and critical materials acquired under authority of this title shall be placed in the above named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act;

(c) To procure military equipment, materials, facilities, and services for the common defense;



(d) For financing the purchase of goods or services for other friendly countries;

(e) For promoting balanced economic development and trade among nations, for which purposes not more than 25 per centum of the currencies received pursuant to each such agreement shall be available through and under the procedures established by the Export-Import Bank for loans mutually agreeable to said bank and the country with which the agreement is made to United States business firms and branches, subsidiaries, or affiliates of such firms for business development and trade expansion in such countries and for loans to domestic or foreign firms for the establishment of facilities for aiding in the utilization, distribution, or otherwise increasing the consumption of, and markets for, United States agricultural products: *Provided, however,* That no such loans shall be made for the manufacture of any products to be exported to the United States in competition with products produced in the United States or for the manufacture or production of any commodity to be marketed in competition with United States agricultural commodities or the products thereof. Foreign currencies may be accepted in repayment of such loans.

(f) To pay United States obligations abroad;

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate. Strategic materials, services, or foreign currencies may be accepted in payment of such loans;

(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)) *and for the financing of programs for the interchange of persons under title II of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1446.* In the allocation of funds as among the various purposes set forth in this section, a special effort shall be made to provide for the purposes of this subsection, including a particular effort with regard to: (1) countries where adequate funds are not available from other sources for such purposes, and (2) countries where agreements can be negotiated to establish a fund with the interest and principal available over a period of years for such purposes;

(i) For financing the translation, publication, and distribution of books and periodicals, including Government publications, abroad: *Provided,* That not more than \$5,000,000 may be allocated for this purpose during any fiscal year;

(j) For providing assistance to activities and projects authorized by section 203 of the United States Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1448), but no foreign currencies which are available under the terms of any agreement for appropriation for the general use of the United States shall be used for the purposes of this subsection (j) without appropriation therefor;

(k) *For the acquisition by purchase, lease, rental or otherwise, of sites and buildings and grounds abroad, for United States Government use including offices, residence quarters, community and other facilities, and for construction, repair, alteration and furnishing of such buildings and facilities: Provided, That foreign currencies shall be available for the purposes of this subsection (in addition to funds otherwise made available for such purposes) in such amounts as may be specified from time to time in appropriation acts;*

(l) *For financing trade fair participation and related activities authorized by section 3 of the International Cultural Exchange and Trade Fair Participation Act of 1956 (22 U. S. C. 1992);*

(m) *For financing under the direction of the Librarian of Congress, in consultation with the National Science Foundation and other interested agencies, (1) programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States and whether such books, periodicals, and other materials are of cultural or educational significance; (2) the registry, indexing, binding, reproduction, cataloging, abstracting, translating, and dissemination of books periodicals and related materials determined to have such significance; and (3) the acquisition of such books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate;*

(n) *For providing assistance, by grant or otherwise, in the expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States, for the purpose of enabling such educational institutions to carry on programs of vocational, professional, scientific, technological, or general education; and in the supporting of workshops in American studies or American educational techniques, and supporting chairs in American studies;*

*Provided, however, That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to all foreign currencies used for grants under subsections (d) and (e) [and] except when used for cooperative non-self-liquidating projects for the development of human resources and skills; for payment of United States obligations involving grants under subsection (f) and to not less than 10 per centum of the foreign currencies which accrue under this title: Provided, however, That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.*

SEC. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title, and any department or agency of the government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.



SEC. 106. As used in this Act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is or may be reasonably expected to be in excess of domestic requirements, adequate carryover, and anticipated exports for dollars, as determined by the Secretary of Agriculture. The Secretary of Agriculture is also authorized to determine the nations with whom agreements shall be negotiated, and to determine the commodities and quantities thereof which may be included in the negotiations with each country after advising with other agencies of Government affected and within broad policies laid down by the President for implementing this Act.

SEC. 107. As used in this Act, "friendly nation" means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

SEC. 108. The President shall make a report to Congress with respect to the activities carried on under this Act at least once each six months and at such other times as may be appropriate and such reports shall include the dollar value, at the exchange rates in effect at the time of the sale, of the foreign currency for which commodities exported pursuant to section 102 (a) hereof are sold.

SEC. 109. No transactions shall be undertaken under authority of this title after June 30, [1958] 1959, except as required pursuant to agreements theretofore entered into pursuant to this title.

## TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent or extraordinary relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agricultural commodities (as defined in section 106 of title I) as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent or extraordinary relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

SEC. 202. The President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation stocks to assist programs undertaken with friendly governments or through voluntary relief agencies: *Provided*, That the President shall take reasonable precaution that such transfers will not displace or interfere with sales which might otherwise be made.

SEC. 203. Not more than \$800,000,000 (including the Corporation's investment in the commodities) shall be expended for all such transfers and for other costs authorized by this title. The President may make such transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable. Such transfers may include delivery f. o. b. vessels in United States ports and, upon



a determination by the President that it is necessary to accomplish the purposes of this title or of section 416 of the Agricultural Act of 1949, as amended, ocean freight charges from United States ports to designated ports of entry abroad may be paid from funds available to carry out this title on commodities transferred pursuant hereto or donated under said section 416. Funds required for ocean freight costs authorized under this title may be transferred by the Commodity Credit Corporation to such other Federal agency as may be designated by the President.

SEC. 204. No programs of assistance shall be undertaken under the authority of this title after June 30, [1958] 1959.

### TITLE III—GENERAL PROVISIONS

SEC. 301. [This section contains an amendment to section 407 of the Agricultural Act of 1949 (p. 160), authorizing Commodity Credit Corporation to make commodities available to relieve distress.]

SEC. 302. [This section contains a revision of section 416 of the Agricultural Act of 1949 (p. 165), which authorizes various methods of disposition by Commodity Credit Corporation of commodities in surplus supply.]

[SEC. 303. Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of such agricultural commodities for (a) strategic materials entailing less risk of loss through deterioration or substantially less storage charges, or (b) materials, goods or equipment required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial quantities for offshore construction programs, he is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private trade channels, such barter or exchanges or to utilize the authority conferred on him by section 4 (h) of the Commodity Credit Corporation Charter Act, as amended, to make such barter or exchanges. Agencies of the United States Government procuring such materials, goods or equipment are hereby directed to cooperate with the Secretary in the disposal of surplus agricultural commodities by means of barter or exchange. Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials.]

*Sec. 303. The Secretary is directed, to the maximum extent practicable within the limit permitted by this section, to barter or exchange agricultural commodities owned by the Commodity Credit Corporation for (a) strategic materials or other materials of which the United States does not domestically produce its requirements and which entail*

less risk of loss through deterioration or substantially less storage charges, or (b) materials, goods, or equipment required in connection with foreign economic and military aid and assistance programs, or (c) materials or equipment required in substantial quantities for off-shore construction programs. He is hereby directed to use every practicable means, in cooperation with other Government agencies, to arrange and make, through private channels, such barters or exchanges or to utilize the authority conferred on him by section 4 (h) of the Commodity Credit Corporation Charter Act, as amended, to make such barters or exchanges: Provided, That the total volume of the transactions directed by this section shall not exceed \$500,000,000 annually, unless specifically authorized by the Congress. In carrying out barters or exchanges authorized by this section, no restrictions shall be placed on the countries of the free world into which surplus agricultural commodities may be sold, except where the Secretary has made a specific finding as to a particular transaction that such transaction will replace a cash sale for dollars. The authorities contained in this section shall, in addition to other types of transactions, permit the domestic processing of raw materials of foreign origin or of domestic origin where the domestic processor agrees to import an equivalent amount of similar foreign material. Agencies of the United States Government procuring such materials, goods, or equipment are hereby directed to cooperate with the Secretary in the disposal of surplus agricultural commodities by means of barter or exchange. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials.

SEC. 304. (a) The President shall exercise the authority contained in title I of this Act (1) to assist friendly nations to be independent of trade with the Union of Soviet Socialist Republics and with nations dominated or controlled by the Union of Soviet Socialist Republics and (2) to assure that agricultural commodities sold or transferred thereunder do not result in increased availability of those or like commodities to unfriendly nations.

(b) Nothing in this Act shall be construed as authorizing transactions under title I or title III with the Union of Soviet Socialist Republics or any of the areas dominated or controlled by the Communist regime in China.

SEC. 305. All Commodity Credit Corporation stocks disposed of under title II of this Act and section 416 of the Agricultural Act of 1949, as amended, shall be clearly identified by, as far as practical, appropriate marking on each package or container as being furnished by the people of the United States of America.

SEC. 306. Any provision of this Act or of section 32 of the Act of August 24, 1935, as amended (7 U. S. C. 612c), may be extended by the President to any area under the jurisdiction or administration of the United States.



# AGRICULTURAL ACT OF 1949, AS AMENDED

## AN ACT

To stabilize prices of agricultural commodities.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Act of 1949."*

### TITLE I—BASIC AGRICULTURAL COMMODITIES

SEC. 101. The Secretary of Agriculture (hereinafter called the "Secretary") is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 per centum of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:

(a) For tobacco (except as otherwise provided herein), corn, wheat, and rice, if the supply percentage as of the beginning of the marketing year is:

|                                          | <i>The level of support shall<br/>be not less than the<br/>following percentage of<br/>the parity price:</i> |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Not more than 102-----                   | 90                                                                                                           |
| More than 102 but not more than 104----- | 89                                                                                                           |
| More than 104 but not more than 106----- | 88                                                                                                           |
| More than 106 but not more than 108----- | 87                                                                                                           |
| More than 108 but not more than 110----- | 86                                                                                                           |
| More than 110 but not more than 112----- | 85                                                                                                           |
| More than 112 but not more than 114----- | 84                                                                                                           |
| More than 114 but not more than 116----- | 83                                                                                                           |
| More than 116 but not more than 118----- | 82                                                                                                           |
| More than 118 but not more than 120----- | 81                                                                                                           |
| More than 120 but not more than 122----- | 80                                                                                                           |
| More than 122 but not more than 124----- | 79                                                                                                           |
| More than 124 but not more than 126----- | 78                                                                                                           |
| More than 126 but not more than 128----- | 77                                                                                                           |
| More than 128 but not more than 130----- | 76                                                                                                           |
| More than 130-----                       | 75                                                                                                           |

\* \* \* \* \*

(d) Notwithstanding the foregoing provisions of this section--

(1) if producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be 90 per centum of the parity price for the 1950 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

(2) if producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be not less than 80 per centum of the parity price for the 1951 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

(3) the level of price support to cooperators for any crop of a basic agricultural commodity, except tobacco, for which marketing quotas have been disapproved by producers shall be 50 per centum of the parity price of such commodity; and no price sup-



port shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;

(4) the level of price support for corn to cooperators outside the commercial corn-producing area shall be 75 per centum of the level of price support to cooperators in the commercial corn-producing area;

(5) price support may be made available to noncooperators at such levels, not in excess of the level of price support to cooperators, as the Secretary determines will facilitate the effective operation of the program.

(6) Except as provided in subsection (c) and section 402, the level of support to cooperators shall be not more than 90 per centum and not less than 82½ per centum of the parity price for the 1955 crop of any basic agricultural commodity with respect to which producers have not disapproved marketing quotas; within such limits, the minimum level of support shall be fixed as provided in subsections (a) and (b) of this section.<sup>2</sup>

(7) Where a State is designated under section 335 (e) of the Agricultural Adjustment Act of 1938, as amended, as outside the commercial wheat-producing area for any crop of wheat, the level of price support for wheat to cooperators in such State for such crop of wheat shall be 75 per centum of the level of price support to cooperators in the commercial wheat-producing area.

(8) *For the 1959, 1960, and 1961 crops, the level of support for any crop of rice for which producers have not disapproved quotas shall be such level not less than 75 per centum or more than 90 per centum of the parity price therefor as the Secretary determines after consideration of the factors specified in section 401 (b).*

\* \* \* \* \*

## TITLE II—DESIGNATED NONBASIC AGRICULTURAL COMMODITIES

SEC. 201. The Secretary is authorized and directed to make available (without regard to the provisions of title III) price support to producers for tung nuts, honey, milk, butterfat, and the products of milk and butterfat as follows:

(a)

(b) The price of tung nuts and honey, respectively, shall be supported through loans, purchases, or other operations at a level not in excess of 90 per centum nor less than 60 per centum of the parity price therefor;

(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 per centum nor less than 75 per centum of the parity price therefor as the Secretary determines [necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, milk and the products of milk and butterfat, and for the period ending March 31, 1956, surplus stocks of dairy products owned by the Commodity Credit Corporation may be disposed of by any methods determined necessary by the Secretary]. *Such price*

support shall be provided through loans on, or purchases of, milk and the products of milk and butterfat and the Secretary shall require of the vendor of any such products purchased under this section a certification that producers were paid the price support in effect at the time of purchase for the milk or butterfat used in the products purchased. For the period beginning September 1, 1954, and ending June 30, 1955, not to exceed \$50,000,000, and for the fiscal year ending June 30, 1956, not to exceed \$60,000,000, and for each of the [two] fiscal years in the period beginning July 1, 1956, and ending June 30, [1958] 1961, not to exceed \$75,000,000, of the funds of the Commodity Credit Corporation shall be used to increased the consumption of fluid milk by children in (1) nonprofit schools of high-school grade and under; and in (2) nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children.

(d) Notwithstanding any other provision of law, the Secretary shall, through the Commodity Credit Corporation, by means of payments, support the price to producers of milk and butterfat used in manufactured dairy products at not less than 90 per centum of the parity equivalent price during the marketing years ending March 31, 1960, March 31, 1961, and March 31, 1962: Provided, That the Secretary may reduce the level of price support for any such marketing year by 3 per centum of the parity equivalent price for each 1 per centum of marketing base by which the Federal Dairy Board establishes marketing quotas for such marketing year above the lowest quota authorized by subparagraph (3) (A) hereof: Provided further, That the total amount of payments to producers for any marketing year shall not exceed an amount equivalent to the total amount of compliance deposits forfeited by producers in the same marketing year.

(1) Not later than March 1 of each calendar year, the Federal Dairy Board (hereinafter referred to as the "Board") shall estimate and determine for the marketing year starting in that calendar year the average market price of milk used in manufactured dairy products which would be received by farmers in the absence of any Federal price-support operations. If the Board determines that such price will be less than 90 per centum of the probable parity equivalent price therefor, it may establish as a condition of eligibility for price-support payments for such marketing year a requirement that producers comply with such marketing quotas as may be established for each individual dairy farm.

(2) The Secretary shall establish a base for each producer desiring to market milk or butterfat. Bases shall be assigned to producers, including partnerships, corporations, or other business entities, and not to herds or farms. The Secretary shall provide by rules or regulations for the transfer of bases in whole or in part, for the assignment of bases to new producers, for the equitable adjustment of bases to avoid hardship, for such other adjustments consistent with the objectives of this Act as he deems appropriate, including adjustments for deficit production areas, and for such other matters as may be necessary or appropriate to set up and operate effectively and efficiently the program herein authorized. In establishing such bases the Secretary shall take into consideration historical production, trends,



abnormal production during the historical period, and such other factors as may be appropriate to establish such bases in an equitable and practical manner. Bases established by the Secretary shall continue in effect from year to year, but such bases shall be subject to modification and adjustments from time to time.

(3) When marketing quotas are required under provisions of paragraph (1) above the marketing quota for each farm may be calculated by deducting not to exceed 2 per centum from the farm marketing base for each 5 per centum by which the Board estimates that the average market price of milk used in manufactured dairy products would be below 90 per centum of the parity equivalent price, in the absence of any Federal price support operations.

(4) When marketing quotas are required, compliance deposits of not less than 25 cents nor more than 50 cents per hundredweight of milk, as determined by the Board to be the amount required to encourage compliance with marketing quotas, shall be withheld from and shall be collected from each producer who sells milk, butterfat, or dairy products. Every person purchasing milk, butterfat, or dairy products from a producer (except purchases by consumers for other than commercial uses) shall withhold from the purchase price an amount equal to the compliance deposit and shall remit the same to the Commissioner of Internal Revenue. For the purposes of this section, milk, butterfat, or dairy products delivered by a producer to a cooperative association of producers shall be subject to the withholding of the deposit upon such delivery. Returns shall be filed and remittances made monthly by such purchasers in accordance with rules prescribed by the Commissioner. The Commissioner of Internal Revenue shall collect the compliance deposits provided for herein and shall prescribe such rules and regulations as may be necessary to accomplish that purpose. Compliance deposits collected shall be credited to a special account of the Secretary of Agriculture to make refunds to milk producers who comply with marketing quotas as provided herein. The Secretary of Agriculture, annually prior to July 1 following the close of the immediately preceding marketing year, shall issue drafts on such special account to refund to each producer who complies with his marketing quota the entire amount of the compliance deposit withheld from such producer. The Secretary shall release to the Treasurer of the United States the total of compliance deposits of each producer who exceeded his marketing quota.

(5) A price-support deficiency payment shall be paid on all sales of milk and butterfat for manufacturing to each individual producer who complies with his marketing quota and shall be such as, within the limitations of the second proviso of the first sentence hereof, the Secretary determines to be sufficient, when added to the State average price received by producers for milk and butterfat used for manufactured dairy products, to equal a total return of not less than the support level established pursuant to this subsection for milk and butterfat used for manufactured dairy products on milk sold for manufacturing purposes for that State. Such payments shall be made to producers prior to July 1 next following the close of the marketing year. The Secretary shall calculate the monthly average net price received for milk and butterfat used in manufactured dairy products received in each State, using the price at the point of first sale out of



the producers' hands. A producer who sells milk under the terms of a Federal milk order and who complies with his marketing quota shall be eligible for a payment on milk diverted into manufactured dairy products.

(6) In December 1958, the Secretary shall conduct a nationwide referendum of milk producers to determine whether those voting approve the provisions of this subsection. If more than one-half of the producers voting in the referendum oppose this subsection, this subsection shall not be placed into effect and the price-support operations of the Secretary under subsection 201 (c) of the Agricultural Act of 1949 with respect to milk and dairy products shall remain in effect. The Secretary shall conduct the referendum, prescribing such rules and regulations as may be necessary. Only milk producers shall be eligible to vote. Any milk producer shall have only one vote and shall vote as an individual, rather than as a business entity. The ballot shall be in the following form:

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UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICIAL BALLOT

NATIONAL REFERENDUM OF MILK PRODUCERS

---

**Mark this square if you favor—**

Establishment of a dairy income protection program, utilizing deficiency payments, compliance deposits, and marketing quotas based on 90 per centum of the parity equivalent price, in addition to Government purchases, storage and diversion as provided in the Agricultural Act of 1958.

**Mark this square if you favor—**

Continuation of price support utilizing Government purchases, storage and diversion with support at 75 to 90 per centum of the parity equivalent price, as provided by section 201 (c) of the Agricultural Act of 1949.

---

The price support operations of the Secretary under subsection 201 (c) of this Act with respect to milk and dairy products shall be suspended after the first six months during which this Act shall be in effect, and remain suspended during any subsequent marketing year during which this Act shall be in effect.

FEDERAL DAIRY BOARD

(7) There is created in the Department to make the determinations and perform the functions provided in this subsection, a Federal Dairy Board consisting of fifteen members to be appointed by the President after receiving nominations from milk producers as provided herein. Only persons who are milk producers shall be eligible to serve on the Board.

(A) In order to secure appropriate regional representation on the Board, the United States shall be divided into fifteen Federal dairy districts to be designated by the Secretary. In designating such districts, the Secretary shall give consideration to (1) complete geographical representation of the United States and (2) the designation of districts, so that districts will be areas having equal annual sales of milk and butterfat, as nearly as possible without dividing any county into two or more districts.

(B) Each Federal dairy district shall be assigned one place on the Board. The milk producers in each district shall by ballot select three nominees for the place on the Board assigned to their district. Each milk producer shall be entitled to submit one name for nominee for the place on the Board to be filled from his district. The three candidates receiving the highest number of votes for nominee for each respective place on the Board shall be nominees for appointment to such place. The Secretary shall conduct an election of nominees between January 1 and January 15, 1959, and shall conduct any subsequent elections for the selection of such nominees, prescribe such rules and regulations as he may consider necessary in the administration of the duties assigned herein, determine all questions involving the qualifications of such nominees, members of the Board, or milk producers, resolve all tie votes for such nominees, and certify such nominees to the President. The decision of the Secretary in all such matters shall be final. The three nominees so selected for each place on the Board shall be received by the President, who shall select one of the three nominees for appointment to each place on the Board for which such nominees were selected. In making appointments to the Board, the President shall give careful consideration to securing an equitable representation of the various forms in which milk and its products are sold.

(C) Terms of Board members shall expire on June 30, 1962. Board members may be removed for cause or ineligibility by the President. Vacancies on the Board may be filled for the unexpired terms by appointment by the President, taking into consideration the nominees from which the original appointment was made, or, in the discretion of the President, in the manner herein prescribed for the appointment of members for a regular term. Vacancies on the Board shall not impair the power of the remaining members to exercise all the powers of the Board, except that in no event shall the Board be empowered to act unless eight or more places on the Board are filled. Each member of the Board, other than the Secretary or the Secretary's representative, shall receive a per diem of \$50 for each day's attendance at meetings of the Board and while traveling to and from said meetings, together with actual, necessary travel subsistence, and other expenses incurred in the discharge of his official duties without regard to other laws with respect to allowances which may be made on account of travel and subsistence expenses of officers and employed personnel of the United States. The Secretary, or an official of the Department designated by him, shall be an ex officio member of the Board. He shall meet and confer with the Board but shall not be entitled to vote.

(D) The Board shall meet as soon as practicable following their initial appointment, and thereafter, annually on the second Monday in December and at other times upon the call of the Chairman. In addition, special meetings of the Board may be called at any time by a majority of the members of the Board in office, or by the Secretary. The Board shall meet at least once in each calendar quarter of each year.

(E) The Chairman of the Board shall be selected by the Board. He shall hold office for a term of one calendar year and until his successor shall have been selected and shall have taken office. Vacancies in the office of the Chairman of the Board shall be filled for the unexpired term by the Board.



(F) A majority of the members of the Board in office shall constitute a quorum, and action may be taken by a majority vote of those present at any regular or special meeting at which a quorum is present. The findings and determinations of the Board made under the authority of this section shall be final and conclusive. The Board may adopt, alter, and use an official seal which shall be judicially noticed. It may adopt rules and regulations governing the manner in which its business may be conducted and its powers may be exercised.

(G) The Federal Dairy Board is directed, in addition to its other duties, to cause to be made a comprehensive study of the production and marketing of manufacturing milk, including producers' costs of production, prices received by farmers, areas of production, the relationship between changes in the farm price of butterfat and milk for manufacturing and changes in the volume of market supply of each commodity, the relationship between changes in national income and changes in the volume of consumption of manufactured dairy products, marketing and processing spreads, relationship between prices received by farmers for milk used for fluid consumption and that used for manufacturing, returns to milk producers on capital investment and labor relative to other farmers and other segments of the national economy, and trends in these factors; and shall submit to Congress not later than January 3, 1961, a detailed report thereon with recommendations for legislation related to the protection of producers' returns on and market supply management of butterfat and milk for manufacturing, including programs to be operated and financed by dairymen, covering the probable costs and effects of the proposals recommended and the legislation required to put the proposal into effect. The Federal Dairy Board may conduct such hearings and receive such statements and briefs in connection with such study as it deems appropriate.

(H) The Secretary is directed to make available to the Federal Dairy Board the services of such of the facilities and personnel of the Department of Agriculture as it may require for the appropriate conduct of its duties.

SEC. 202. As a means of increasing the utilization of dairy products, (including for purposes of this section, milk) upon the certification by the Administrator of Veterans' Affairs or by the Secretary of the Army, acting for the military departments under the Department of Defense's Single Service Purchase Assignment for Subsistence, or their duly authorized representatives that the usual quantities of dairy products have been purchased in the normal channels of trade—

(a) The Commodity Credit Corporation until December 31, [1958] 1961, shall make available to the Administrator of Veterans' Affairs at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Administrator certifies that he requires in order to provide butter and cheese and other dairy products as a part of the ration in hospitals under his jurisdiction. The Administrator shall report monthly to the Committees on Agriculture of the Senate and House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection.



(b) The Commodity Credit Corporation until December 31, [1958] 1961, shall make available to the Secretary of the Army, at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Secretary of the Army or his duly authorized representative certifies can be utilized in order to provide additional butter and cheese and other dairy products as a part of the ration [of the Army, Navy, or Air Force, and as a part of the ration] (1) of the Army, Navy, Air Force, or Coast Guard, (2) in hospitals under the jurisdiction of the Department of Defense, and (3) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy. The Secretary of the Army shall report every six months to the Committees on Agriculture of the Senate and the House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection.

## TITLE IV—MISCELLANEOUS

### SUPPORT THROUGH CCC

SEC. 401. (a) The Secretary shall provide the price support authorized or required herein through the Commodity Credit Corporation and other means available to him.

\* \* \* \* \*

### ADJUSTMENTS FOR GRADE, ETC

SEC. 403. Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for such commodity will, on the basis of the anticipated incidence of such factors, be equal to the level of support determined as provided in this Act. Middling seven-eighths-inch cotton shall be the standard grade for purposes of parity and price support. *In adjusting the support price for cotton on the basis of grade, the Secretary shall establish separate price support rates substantially reflecting the usual trade differentials for spotted cotton and for light spotted cotton.*

\* \* \* \* \*

### NONRECOURSE LOANS

SEC. 405. No producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan made under authority of this Act unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent the Commodity Credit Corporation or the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program. *There is authorized to be included in the terms and conditions of any such nonrecourse loan a provision whereby on and after the maturity of the loan or*

*any extension thereof Commodity Credit Corporation shall have the right to acquire title to the unredeemed collateral without obligation to pay for any market value which such collateral may have in excess of the loan indebtedness.*

#### ADVANCE ANNOUNCEMENT

SEC. 406. The Secretary shall, insofar as practicable, announce the level of price support for field crops in advance of the planting season and for other agricultural commodities in advance of the beginning of the marketing year or season (January 1 in the case of commodities not marketed on a marketing year or season basis), but the level of price support so announced shall not exceed the estimated maximum level of price support specified in this Act, based upon the latest information and statistics available to the Secretary when such level of price support is announced; and the level of price support so announced shall not be reduced if the maximum level of price support when determined, is less than the level so announced. *In announcing the price support level for milk and butterfat, the Secretary shall announce a corresponding support price for manufacturing milk containing 3.5 per centum milk fat.*

## AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

### AN ACT

To provide for the conservation of national soil resources and to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this act may be cited as the "Agricultural Adjustment Act of 1938".

#### DECLARATION OF POLICY

SEC. 2. It is hereby declared to be the policy of Congress to continue the Soil Conservation and Domestic Allotment Act, as amended, for the purpose of conserving national resources, preventing the wasteful use of soil fertility, and of preserving, maintaining, and rebuilding the farm and rance land resources in the national public interest; to accomplish these purposes through the encouragement of soil-building and soil-conserving crops and practices; to assist in the marketing of agricultural commodities for domestic consumption and for export; and to regulate interstate and foreign commerce in cotton, wheat, corn, tobacco, and rice to the extent necessary to provide an orderly, adequate, and balanced flow of such commodities in interstate and foreign commerce through storage of reserve supplies, loans, marketing quotas, assisting farmers to obtain, insofar as practicable, parity prices for such commodities and parity of income, and assisting consumers to obtain an adequate and steady supply of such commodities at fair prices.



# TITLE I—AMENDMENTS TO SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

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## TITLE III—LOANS, PARITY PAYMENTS, CONSUMER SAFEGUARDS, MARKETING QUOTAS, AND MARKETING CERTIFICATES

### SUBTITLE A—DEFINITIONS, PARITY PAYMENTS, AND CONSUMER SAFEGUARDS

#### DEFINITIONS

SEC. 301. (a) GENERAL DEFINITIONS.—For the purposes of this title and the declaration of policy—

(1) (A) The “parity price” for any agricultural commodity, as of any date, shall be determined by multiplying the adjusted base price of such commodity as of such date by the parity index as of such date.

(B) The “adjusted base price” of any agricultural commodity, as of any date, shall be (i) the average of the prices received by farmers for such commodity, at such times as the Secretary may select during each year of the ten-year period ending on the 31st of December last before such date, or during each marketing season beginning in such period if the Secretary determines use of a calendar year basis to be impracticable, divided by (ii) the ratio of the general level of prices received by farmers for agricultural commodities during such period to the general level of prices received by farmers for agricultural commodities during the period January 1910 to December 1914, inclusive. As used in this subparagraph, the term “prices” shall include wartime subsidy payments made to producers under programs designed to maintain maximum prices established under the Emergency Price Control Act of 1942.

(C) The “parity index,” as of any date, shall be the ratio of (i) the general level of prices for articles and services that farmers buy, wages paid hired farm labor, interest on farm indebtedness secured by farm real estate, and taxes on farm real estate, for the calendar month ending last before such date to (ii) the general level of such prices, wages, rates, and taxes during the period January 1910 to December 1914, inclusive.

(D) The prices and indices provided for herein, and the data used in computing them, shall be determined by the Secretary, whose determination shall be final.

(E) Notwithstanding the provisions of subparagraph (A), the transitional parity price for any agricultural commodity, computed as provided in this subparagraph, shall be used as the parity price for such commodity until such date after January 1, 1950, as such transitional parity price may be lower than the parity price, computed as provided in subparagraph (A), for such commodity. The transitional parity price for any agricultural commodity as of any date shall be—

(i) its parity price determined in the manner used prior to the effective date of the Agricultural Act of 1948, less



(ii) 5 per centum of the parity price so determined multiplied by the number of full calendar years (not counting 1956 in the case of basic agricultural commodities) which, as of such date, have elapsed after January 1, 1949, in the case of nonbasic agricultural commodities, and after January 1, 1955, in the case of the basic agricultural commodities. The Secretary shall make a thorough study of possible methods of improving the parity formula and report thereon, with specific recommendations, including drafts of necessary legislation to carry out such recommendations, to Congress not later than January 31, 1957.

(F) Notwithstanding the provisions of subparagraphs (A) and (E), if the parity price for any agricultural commodity, computed as provided in subparagraphs (A) and (E) appears to be seriously out of line with the parity prices of other agricultural commodities, the Secretary may, and upon the request of a substantial number of interested producers shall, hold public hearings to determine the proper relationship between the parity price of such commodity and the parity prices of other agricultural commodities. Within sixty days after commencing such hearing the Secretary shall complete such hearing, proclaim his findings as to whether the facts require a revision of the method of computing the parity price of such commodity, and put into effect any revision so found to be required.

(G) Notwithstanding the foregoing provisions of this section, the parity price for any basic agricultural commodity, as of any date during the six-year period beginning January 1, 1950, shall not be less than its parity price computed in the manner used prior to the enactment of the Agricultural Act of 1949.

(2) "Parity," as applied to income, shall be that gross income from agriculture which will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful occupation. "Parity" as applied to income from any agricultural commodity for any year, shall be that gross income which bears the same relationship to parity income from agriculture for such year as the average gross income from such commodity for the preceding ten calendar years bears to the average gross income from agriculture for such ten calendar years.

(3) The term "interstate and foreign commerce" means sale, marketing, trade, and traffic between any State or Territory or the District of Columbia or Puerto Rico, and any place outside thereof; or between points within the same State or Territory or within the District of Columbia or Puerto Rico, through any place outside thereof; or within any Territory or within the District of Columbia or Puerto Rico.

(4) The term "affect interstate and foreign commerce" means, among other things, in such commerce, or to burden or obstruct such commerce or the free and orderly flow thereof; or to create or tend to create a surplus of any agricultural commodity which burdens or obstructs such commerce or the free and orderly flow thereof.

(5) The term "United States" means the several States and Territories and the District of Columbia and Puerto Rico.

(6) The term "State" includes a Territory and the District of Columbia and Puerto Rico.

(7) The term "Secretary" means the Secretary of Agriculture, and the term "Department" means the Department of Agriculture.

(8) The term "person" means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or any agency of a State.

[(9) The term "corn" means field corn.]

(9) *The term "corn" means field corn raised for grain, forage, or silage.*

(10) *The term "sorghums" means all sorghums raised for grain, forage, or silage.*

(11) *The term "feed grains" means the commodities corn and sorghum.*

(b) DEFINITIONS APPLICABLE TO ONE OR MORE COMMODITIES.—For the purposes of this title—

(1) (A) ["Actual production" as applied to any acreage of corn means the number of bushels of corn which the local committee determines would be harvested as grain from such acreage if all the corn on such acreage were so harvested. In case of a disagreement between the farmer and the local committee as to the actual production of the acreage of corn on the farm, or in case the local committee determines that such actual production is substantially below normal, the local committee, in accordance with regulations of the Secretary, shall weigh representative samples of ear corn taken from the acreage involved, make proper deductions for moisture content, and determine the actual production of such acreage on the basis of such samples.] *"Actual production" as applied to any acreage of feed grains means the actual average yield for the farm times such number of acres. For the purposes of determining actual production the "actual yield" of any acreage of feed grains shall be the actual average yield of the acreage of feed grains on the farm.*

(B) "Actual production" of any number of acres of cotton, rice or peanuts on a farm means the actual average yield for the farm times such number of acres.

(2) "Bushel" means in the case of ear corn that amount of ear corn, including not to exceed 15½ per centum of moisture content, which weighs seventy pounds, and in the case of shelled corn, means that amount of shelled corn including not to exceed 15½ per centum of moisture content, which weighs fifty-six pounds.

(3) (A) "Carry-over," in the case of corn, rice, and peanuts for any marketing year shall be the quantity of the commodity on hand in the United States at the beginning of such marketing year, not including any quantity which was produced in the United States during the calendar year then current.

(B) "Carry-over" of cotton for any marketing year shall be the quantity of cotton on hand in the United States at the beginning of such marketing year, not including any part of the crop which was produced in the United States during the calendar year then current.

(C) "Carry-over" of tobacco for any marketing year shall be the quantity of such tobacco on hand in the United States at the beginning of such marketing year (or on January 1 of such marketing year in the case of Maryland tobacco), which was produced in the United States prior to the beginning of the calendar year in which such marketing year begins, except that in the case of cigar-filler and cigar-binder tobacco the quantity of type 46 on hand and theretofore produced in the United States during such calendar year shall also be included.



(D) "Carry-over" of wheat, for any marketing year shall be the quantity of wheat on hand in the United States at the beginning of such marketing year, not including any wheat which was produced in the United States during the calendar year then current, and not including any wheat held by the Federal Crop Insurance Corporation under Title V [of the Agricultural Adjustment Act of 1938].

(4) (A) "Commercial corn-producing area" shall include all counties in which the average production of corn (excluding corn used as silage) during the ten calendar years immediately preceding the calendar year for which such area is determined, after adjustment for abnormal weather conditions, is four hundred and fifty bushels or more per farm and four bushels or more for each acre of farm land in the county.

(B) Whenever prior to February 1 of any calendar year the Secretary has reason to believe that any county which is not included in the commercial corn-producing area determined pursuant to the provisions of subparagraph (A), but which borders upon one of the counties in such area, or that any minor civil division in a county bordering on such area, is producing (excluding corn used for silage) an average of at least four hundred and fifty bushels of corn per farm and an average of at least four bushels for each acre of farm land in the county or in the minor civil division, as the case may be, he shall cause immediate investigation to be made to determine such fact. If, upon the basis of such investigation, the Secretary finds that such county or minor civil division is likely to produce corn in such average amounts during such calendar year, he shall proclaim such determination, and, commencing with such calendar year, such county shall be included in the commercial corn-producing area. In the case of a county included in the commercial corn-producing area pursuant to this subparagraph, whenever prior to February 1 of any calendar year the Secretary has reason to believe that facts justifying the inclusion of such county are not likely to exist in such calendar year, he shall cause an immediate investigation to be made with respect thereto. If, upon the basis of such investigation, the Secretary finds that such facts are not likely to exist in such calendar year, he shall proclaim such determination, and commencing with such calendar year, such county shall be excluded from the commercial corn-producing area.

(5) "Farm consumption" of corn means consumption by the farmer's family, employees, or household, or by his work stock; or consumption by poultry or livestock on his farm if such poultry or livestock, or the products thereof, are consumed or to be consumed by the farmer's family, employees, or household.

(6) (A) "Market," in the case of [corn] *feed grains*, cotton, rice, tobacco, and wheat, means to dispose of, in raw or processed form, by voluntary or involuntary sale, barter, or exchange, or by gift *inter vivos*, and, in the case of [corn] *feed grains* and wheat, by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered, or exchanged, or to be so disposed of, but does not include disposing of any of such commodities as premium to the Federal Crop Insurance Corporation under Title V [of the Agricultural Adjustment Act of 1938].

(B) "Marketed," "marketing," and "for market" shall have corresponding meanings to the term "market" in the connection in which they are used.



(C) "Market," in the case of peanuts, means to dispose of peanuts, including farmers' stock peanuts, shelled peanuts, cleaned peanuts, or peanuts in processed form, by voluntary or involuntary sale, barter, or exchange, or by gift inter vivos.

(7) "Marketing year" means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

Corn, October 1–September 30;

Cotton, August 1–July 31;

Rice, August 1–July 31;

Tobacco (flue-cured), July 1, June 30;

Tobacco (other than flue-cured), October 1–September 30;

Wheat, July 1–June 30.

*Feed grains, July 1–June 30.*

(8) "National average yield" as applied to cotton or wheat shall be the national average yield per acre of the commodity during the ten calendar years in the case of wheat, and during the five calendar years in the case of cotton, preceding the year in which such national average yield is used in any computation authorized in this title, adjusted for abnormal weather conditions and, in the case of wheat, but not in the case of cotton, for trends in yields.

(9) "Normal production" as applied to any number of acres of **[corn]** *feed grains*, cotton, rice, or wheat means the normal yield for the farm times such number of acres.

(10) (A) "Normal supply" in the case of corn, rice, wheat, and peanuts for any marketing year shall be (i) the estimated domestic consumption of the commodity for the marketing year ending immediately prior to the marketing year for which normal supply is being determined, plus (ii) the estimated exports of the commodity for the marketing year for which normal supply is being determined, plus (iii) an allowance for carry-over. The allowance for carry-over shall be the following percentage of the sum of the consumption and exports used in computing normal supply: 15 per centum in the case of corn; 10 per centum in the case of rice; 20 per centum in the case of wheat; and 15 per centum in the case of peanuts. In determining normal supply the Secretary shall make such adjustments for current trends in consumption and for unusual conditions as he may deem necessary.

(B) "Normal supply" in the case of tobacco shall be a normal year's domestic consumption and exports, plus 175 per centum of a normal year's domestic consumption and 65 per centum of a normal year's exports as an allowance for a normal carry-over.

(C) The "normal supply" of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carry-over.

(11) (A) "Normal year's domestic consumption," in the case of corn and wheat, shall be the yearly average quantity of the commodity, wherever produced, that was consumed in the United States during the ten marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption.

(B) "Normal year's domestic consumption," in the case of cotton and tobacco, shall be the yearly average quantity of the commodity produced in the United States that was consumed in the United States during the ten marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption.

(C) "Normal year's domestic consumption," in the case of rice, shall be the yearly average quantity of rice produced in the United States that was consumed in the United States during the five marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption.

(12) "Normal year's exports" in the case of corn, cotton, rice, tobacco, and wheat shall be the yearly average quantity of the commodity produced in the United States that was exported from the United States during the ten marketing years (or, in the case of rice, the five marketing years) immediately preceding the marketing year in which such exports are determined, adjusted for current trends in such exports.

(13) (A) "Normal yield" for any county, in the case of corn or wheat, shall be the average yield per acre of corn or wheat for the county during the ten calendar years in the case of wheat, or the five calendar years in the case of corn, immediately preceding the year in which such normal yield is determined, adjusted for abnormal weather conditions and, in the case of wheat, for trends in yields. Such normal yield per acre for any county need be redetermined only when the actual average yield for the ten calendar years in the case of wheat, or the five calendar years in the case of corn, immediately preceding the calendar year in which such yield is being reconsidered differs by at least 5 per centum from the actual average yield for the ten years in the case of wheat, or the 5 years in the case of corn, upon which the existing normal yield per acre for the county was based.

(B) "Normal yield" for any county, in the case of cotton or peanuts, shall be the average yield per acre of cotton or peanuts for the county, adjusted for abnormal weather conditions, during the five calendar years immediately preceding the year in which such normal yield is determined.

(C) In applying subparagraph (A) or (B), if for any such year the data are not available, or there is no actual yield, an appraised yield for such year, determined in accordance with regulations issued by the Secretary, shall be used as the actual yield for such year. In applying such subparagraphs, if, on account of drought, flood, insect pests, plant disease, or other uncontrollable natural cause, the yield in any year of such ten-year period or five-year period, as the case may be, is less than 75 per centum of the average (computed without regard to such year) such year shall be eliminated in calculating the normal yield per acre.

(D) "Normal yield" for any county, in the case of rice, shall be the average yield per acre of rice for the county during the five calendar years immediately preceding the year for which such normal yield is determined, adjusted for abnormal weather conditions and for trends in yields. If for any such year data are not available, or there is no actual yield, an appraised yield for such year, determined in accord-



ance with regulations issued by the Secretary, taking into consideration the yields obtained in surrounding counties during such year and the yield in years for which data are available, shall be used as the actual yield for such year.

(E) "Normal yield" for any farm, in the case of rice, shall be the average yield per acre of rice for the farm during the five calendar years immediately preceding the year for which such normal yield is determined, adjusted for abnormal weather conditions and for trends in yields. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations issued by the Secretary, taking into consideration abnormal weather conditions, trends in yields, the normal yield for the county, the yields obtained on adjacent farms during such year and the yield in years for which data are available.

(F) In applying subparagraphs (D) and (E), if on account of drought, flood, insect pests, plant disease, or other uncontrollable natural cause, the yield for any year of such five-year period is less than 75 per centum of the average, 75 per centum of such average shall be substituted therefor in calculating the normal yield per acre. If, on account of abnormally favorable weather conditions, the yield for any year of such five-year period is in excess of 125 per centum of the average, 125 per centum of such average shall be substituted therefor in calculating the normal yield per acre.

(G) "Normal yield" for any farm, in the case of corn, wheat, cotton, or peanuts, shall be the average yield per acre of corn, wheat, cotton, or peanuts, as the case may be, for the farm, adjusted for abnormal weather conditions and, in the case of wheat, but not in the case of corn, cotton, or peanuts, for trends in yields, during the ten calendar years in the case of wheat, and five calendar years in the case of corn, cotton, or peanuts, immediately preceding the year in which such normal yield is determined. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations of the Secretary, taking into consideration abnormal weather conditions, the normal yield for the county, and the yield in years for which data are available.

(II) "Normal yield" for any farm in the case of feed grains shall be the average yield per acre of feed grains for the farm during the calendar years 1955, 1956, and 1957, adjusted for abnormal weather conditions in the local areas involved. If for any such year the data are not available or there is no actual yield then the normal yield for the farm shall be appraised in accordance with regulations issued by the Secretary, taking into consideration abnormal weather conditions as aforesaid, the yield obtain on adjacent farms during such year and the yield in years for which the data are available. Where both corn and sorghums have been produced on the same farm during such three-year period a separate normal yield shall be established for corn and for sorghums on the basis of the applicable factors in the preceding sentences of this subparagraph and the normal yield for the farm shall be determined by computing the average of the corn and sorghums yields so determined weighted by the actual acreages of corn and sorghums on the farm for the year for which the normal



*yield is determined. Where there is no acreage of feed grains on the farm for the year for which the yield is determined, the normal yield for such a farm shall be the average of the normal yields for corn and sorghums weighted by the acreages which it is determined by the county committee were contributed to the farm acreage allotment of feed grains for such year by the production in prior years of corn and sorghums.*

(14) (A) "Reserve supply level," in the case of corn, shall be a normal year's domestic consumption and exports of corn plus 10 per centum of a normal year's domestic consumption and exports, to insure a supply adequate to meet domestic consumption and export needs in years of drought, flood, or other adverse conditions, as well as in years of plenty.

(B) "Reserve supply level" of tobacco shall be the normal supply plus 5 per centum thereof, to insure a supply adequate to meet domestic consumption and export needs in years of drought, flood, or other adverse conditions, as well as in years of plenty.

(15) "Tobacco" means each one of the kinds of tobacco listed below comprising the types specified as classified in Service and Regulatory Announcement Numbered 118 of the Bureau of Agricultural Economics of the Department:

Flue-cured tobacco, comprising types 11, 12, 13, and 14;

Fire-cured tobacco, comprising types 21, 22, 23, and 24;

Dark air-cured tobacco, comprising types 35 and 36;

Virginia sun-cured tobacco, comprising type 37;

Burley tobacco, comprising type 31;

Maryland tobacco, comprising type 32;

Cigar-filler and cigar-binder tobacco, comprising types 42, 43, 44, 45, 46, 51, 52, 53, 54, and 55;

Cigar-filler tobacco, comprising type 41.

The provisions of this title shall apply to each of such kinds of tobacco severally: *Provided*, That any one or more of the types comprising any such kind of tobacco shall be treated as a "kind of tobacco" for the purposes of this Act if the Secretary finds there is a difference in supply and demand conditions as among such types of tobacco which results in a difference in the adjustments needed in the marketings thereof in order to maintain supplies in line with demand: *Provided further*, That with respect to the 1958 and subsequent crops, type 21 (Virginia) fire-cured tobacco shall be treated as a "kind of tobacco" for the purposes of all of the provisions of this title, except that for the purposes of section 312 (c) of this title, types 21, 22, and 23, fire-cured tobacco shall be treated as one "kind of tobacco."

(16) (A) "Total supply" of wheat, corn, rice, and peanuts for any marketing year shall be the carry-over of the commodity for such marketing year, plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins and the estimated imports of the commodity into the United States during such marketing year.

(B) "Total supply" of tobacco for any marketing year shall be the carry-over at the beginning of such marketing year (or on January 1 of such marketing year in the case of Maryland tobacco) plus the estimated production thereof in the United States during the calendar

year in which such marketing year begins, except that the estimated production of type-46 tobacco during the marketing year with respect to which the determination is being made shall be used in lieu of the estimated production of such type during the calendar year in which such marketing year begins in determining the total supply of cigar-filler and cigar-binder tobacco.

(C) "Total supply" of cotton for any marketing year shall be the carry-over at the beginning of such marketing year, plus the estimated production of cotton in the United States during the calendar year in which such marketing year begins and the estimated imports of cotton into the United States during such marketing year.

(c) The latest available statistics of the Federal Government shall be used by the Secretary in making the determinations required to be made by the Secretary under this Act.

(d) In making any determination under this Act or under the Agricultural Act of 1949 with respect to the carryover of any agricultural commodity, the Secretary shall exclude from such determination the stocks of any commodity acquired pursuant to, or under the authority of, the Strategic and Critical Materials Stock Piling Act (60 Stat. 596).

#### PARITY PAYMENTS

SEC. 303. If and when appropriations are made therefor, the Secretary is authorized and directed to make payments to producers of corn, wheat, cotton, rice, or tobacco, on their normal production of such commodities in amounts which, together with the proceeds thereof, will provide a return to such producers which is as nearly equal to parity price as the funds so made available will permit. All funds available for such payments with respect to these commodities shall, unless otherwise provided by law, be apportioned to these commodities in proportion to the amount by which each fails to reach the parity income. Such payments shall be in addition to and not in substitution for any other payments authorized by law.

#### CONSUMER SAFEGUARDS

SEC. 304. The powers conferred under this Act shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity that were forced into domestic consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities. In carrying out the purposes of this Act it shall be the duty of the Secretary to give due regard to the maintenance of a continuous and stable supply of agricultural commodities from domestic production adequate to meet consumer demand at prices fair to both producers and consumers.



## SUBTITLE B—MARKETING QUOTAS

## PART I—MARKETING QUOTAS—TOBACCO

## LEGISLATIVE FINDING

SEC. 311. (a) The marketing of tobacco constitutes one of the great basic industries of the United States with ramifying activities which directly affect interstate and foreign commerce at every point, and stable conditions therein are necessary to the general welfare. Tobacco produced for market is sold on a Nation-wide market and, with its products, moves almost wholly in interstate and foreign commerce from the producer to the ultimate consumer. The farmers producing such commodity are subject in their operations to uncontrollable natural causes, are widely scattered throughout the Nation, in many cases such farmers carry on their farming operations on borrowed money or leased lands, and are not so situated as to be able to organize effectively, as can labor and industry through unions and corporations enjoying Government protection and sanction. For these reasons, among others, the farmers are unable without Federal assistance to control effectively the orderly marketing of such commodity with the result that abnormally excessive supplies thereof are produced and dumped indiscriminately on the Nation-wide market.

(b) The disorderly marketing of such abnormally excessive supplies affects, burdens, and obstructs interstate and foreign commerce by (1) materially affecting the volume of such commodity marketed therein, (2) disrupting the orderly marketing of such commodity therein, (3) reducing the price for such commodity with consequent injury and destruction of interstate and foreign commerce in such commodity, and (4) causing a disparity between the prices for such commodity in interstate and foreign commerce and industrial products therein, with a consequent diminution of the volume of interstate and foreign commerce in industrial products.

(c) Whenever an abnormally excessive supply of tobacco exists, the marketing of such commodity by the producers thereof directly and substantially affects interstate and foreign commerce in such commodity and its products, and the operation of the provisions of this Part becomes necessary and appropriate in order to promote, foster, and maintain an orderly flow of such supply in interstate and foreign commerce.

## NATIONAL MARKETING QUOTA

SEC. 312. (a) The Secretary shall, not later than December 1 of any marketing year with respect to flue-cured tobacco, and February 1 of any marketing year with respect to other kinds of tobacco, proclaim a national marketing quota for any kind of tobacco for each of the next three succeeding marketing years whenever he determines with respect to such kind of tobacco—

(1) that a national marketing quota has not previously been proclaimed and the total supply as of the beginning of such marketing year exceeds the reserve supply level therefor;

(2) that such marketing year is the last year of three consecutive years for which marketing quotas previously proclaimed will be in effect;



(3) that amendments have been made in provisions for establishing farm acreage allotments which will cause material revision of such allotments before the end of the period for which quotas are in effect; or

(4) that a marketing quota previously proclaimed for such marketing year is not in effect because of disapproval by producers in a referendum held pursuant to subsection (c): *Provided*, That if such producers have disapproved national marketing quotas in referenda held in three successive years subsequent to 1952, thereafter a national marketing quota shall not be proclaimed hereunder which would be in effect for any marketing year within the three-year period for which national marketing quotas previously proclaimed were disapproved by producers in a referendum, unless prior to November 10 of the marketing year one-fourth or more of the farmers engaged in the production of the crop of tobacco harvested in the calendar year in which such marketing year begins petition the Secretary, in accordance with such regulations as he may prescribe, to proclaim a national marketing quota for each of the next three succeeding marketing years.

(b) The Secretary shall also determine and announce, not later than the first day of December with respect to flue-cured tobacco and not later than the first day of February with respect to other kinds of tobacco, the amount of the national marketing quota proclaimed pursuant to subsection (a) which is in effect for the next marketing year in terms of the total quantity of tobacco which may be marketed which will make available during such marketing year a supply of tobacco equal to the reserve supply level. The amount of the national marketing quota so announced may, not later than the following March 1, be increased by not more than 20 per centum if the Secretary determines that such increase is necessary in order to meet market demands or to avoid undue restrictions of marketings in adjusting the total supply to the reserve supply level.

(c) Within thirty days after the proclamation of national marketing quotas under subsection (a), the Secretary shall conduct a referendum of farmers engaged in the production of the crop of tobacco harvested immediately prior to the holding of the referendum to determine whether such farmers are in favor of or opposed to such quotas for the next three succeeding marketing years. If more than one-third of the farmers voting oppose the national marketing quotas, such results shall be proclaimed by the Secretary and the national marketing quotas so proclaimed shall not be in effect but such results shall in no wise affect or limit the subsequent proclamation and submission to a referendum, as otherwise provided in this section, of a national marketing quota.

#### APPORTIONMENT OF NATIONAL MARKETING QUOTA

SEC. 313. (a) The national marketing quota for tobacco established pursuant to the provisions of section 312, less the amount to be allotted under subsection (c) of this section, shall be apportioned by the Secretary among the several States on the basis of the total production of tobacco in each State during the five calendar years immediately preceding the calendar year in which the quota is proclaimed (plus,

in applicable years, the normal production on the acreage diverted under previous agricultural adjustment and conservation programs), with such adjustments as are determined to be necessary to make correction for abnormal conditions of production, for small farms, and for trends in production, giving due consideration to seed bed and other plant diseases during such five-year period. Notwithstanding any other provision of this section and section 312 \* \* \* the burley tobacco acreage allotment which would otherwise be established for any farm having a burley acreage allotment in 1942 shall not be less than one-half acre, and the acreage required for apportionment under this proviso shall be in addition to the National and State acreage allotments.

(b) The Secretary shall provide, through the local committees, for the allotment of the marketing quota for any State among the farms on which tobacco is produced, on the basis of the following: Past marketing of tobacco, making due allowance for drought, flood, hail, other abnormal weather conditions, plant bed, and other diseases; land, labor, and equipment available for the production of tobacco; crop-rotation practices; and the soil and other physical factors affecting the production of tobacco: *Provided*, That, except for farms on which for the first time in five years tobacco is produced to be marketed in the marketing year for which the quota is effective, the marketing quota for any farm shall not be less than the smaller of either (1) three thousand two hundred pounds, in the case of flue-cured tobacco, and two thousand four hundred pounds, in the case of other kinds of tobacco, or (2) the average tobacco production for the farm during the preceding three years, plus the average normal production of any tobacco acreage diverted under agricultural adjustment and conservation programs during such preceding three years.

(c) The Secretary shall provide, through local committees, for the allotment of not in excess of 5 per centum of the national marketing quota (1) to farms in any State whether it has a State quota or not on which for the first time in five years tobacco is produced to be marketed in the year for which the quota is effective and (2) for further increase of allotments to small farms pursuant to the proviso in subsection (b) of this section on the basis of the following: Land, labor, and equipment available for the production of tobacco; crop-rotation practices; and the soil and other physical factors affecting the production of tobacco: *Provided*, That farm marketing quotas established pursuant to this subsection for farms on which tobacco is produced for the first time in five years shall not exceed 75 per centum of the farm marketing quotas established pursuant to subsection (b) of this section for farms which are similar with respect to the following: Land, labor, and equipment available for the production of tobacco, crop-rotation practices, and the soil and other physical factors affecting the production of tobacco.

(d) Farm marketing quotas may be transferred only in such manner and subject to such conditions as the Secretary may prescribe by regulations.

(e) In case of flue-cured tobacco, the national quota for 1938 is increased by a number of pounds required to provide for each State in addition to the State poundage allotment a poundage not in excess of 4 per centum of the allotment which shall be apportioned in amounts



which the Secretary determines to be fair and reasonable to farms in the State receiving allotments under the Agricultural Adjustment Act of 1938 which the Secretary determines are inadequate in view of past production of tobacco, and for each year by a number of pounds sufficient to assure that any State receiving a State poundage allotment of flue-cured tobacco shall receive a minimum State poundage allotment of flue-cured tobacco equal to the average national yield for the preceding five years of five hundred acres of such tobacco.

(f) (Applicable only to 1938 crop.)

(g) Notwithstanding any other provision of this section, the Secretary on the basis of average yield per acre of tobacco for the State during the five years last preceding the year in which the national marketing quota is proclaimed, adjusted for abnormal conditions of production, may convert the State marketing quota into a State acreage allotment, and allot the same through the local committees among farms on the basis of the factors set forth in subsection (b), using past acreage (harvested and diverted) in lieu of the past marketing of tobacco; and the Secretary on the basis of the national average yield during the same period, similarly adjusted, may also convert into an acreage allotment the amount reserved from the national quota pursuant to the provisions of subsection (c), and on the basis of the factors set forth in subsection (c) and the past tobacco experience of the farm operator, allot the same through the local committees among farms on which no tobacco was produced during the last five years. Any acreage of tobacco harvested in excess of the farm acreage allotment for the year 1955, or any subsequent crop shall not be taken into account in establishing State and farm acreage allotments. Except for farms last mentioned or a farm operated, controlled, or directed by a person who also operates, controls, or directs another farm on which tobacco is produced, the farm-acreage allotment shall be increased by the smaller of (1) 20 per centum of such allotment or (2) the percentage by which the normal yield of such allotment (as determined through the local committees in accordance with regulations prescribed by the Secretary) is less than three thousand two hundred pounds, in the case of flue-cured tobacco, and two thousand four hundred pounds in the case of other kinds of tobacco: *Provided*, That the normal yield of the estimated number of acres so added to farm acreage allotments in any State shall be considered as a part of the State marketing quota in applying the proviso in subsection (a). The actual production of the acreage allotment established for a farm pursuant to this subsection shall be the amount of the farm marketing quota. If any amount of tobacco shall be marketed as having been produced on the acreage allotment for any farm which in fact was produced on a different farm, the acreage allotments next established for both such farms shall be reduced by that percentage which such amount was of the respective farm marketing quota, except that such reduction for any such farm shall not be made if the Secretary through the local committees finds that no person connected with such farm caused, aided, or acquiesced in such marketing; and if proof of the disposition of any amount of tobacco is not furnished as required by the Secretary, or if any producer on the farm files, or aids or acquiesces in the filing of, any false report with respect to the acreage of tobacco grown on the farm required by regulations issued pursuant to this Act, the acreage allot-



ment next established for the farm on which such tobacco is produced shall be reduced by a percentage similarly computed.

(h) Notwithstanding any other provision of this part I, any person who owned a farm, which in 1940 or thereafter was acquired by the United States for national-defense purposes, and who owns or acquires one or more other farms, shall, upon application to the local committee, be entitled to have an allotment for any one of such other farms owned by him for each of the five years succeeding the acquisition by the United States equal to the allotment which would have been made to such farm plus the allotment which would have been made to the farm acquired by the United States except for such acquisition: *Provided*, That such allotment shall not exceed 50 per centum of the acreage of cropland in the farm in the case of flue-cured tobacco, and 20 per centum of the acreage of cropland in the farm, in the case of kinds of tobacco other than flue-cured. Any farm for which the allotment has been determined under this subsection shall, after the end of such five years, have its allotment determined on the basis of past acreage of tobacco, land, labor, and equipment available for the production of tobacco, crop-rotation practices, and soil and other physical factors affecting the production of tobacco: *Provided further*, That the provisions of this subsection shall not be applicable so long as there is any penalty due and unpaid, or a failure to account for the disposition of tobacco produced on the farm acquired by the United States, or if the allotment next established for such farm would have been reduced because of the false or improper identification of tobacco produced on or marketed from such farm. Nothing in this subsection shall be construed as preventing the Secretary from operating any allotment pool from which allotments are made to share tenants or sharecroppers who move from farms acquired by the United States for national-defense purposes to other farms purchased and operated by such persons.

(i) Notwithstanding any other provision of this Act, whenever after investigation the Secretary determines with respect to any kind of tobacco that a substantial difference exists in the usage or market outlets for any one or more of the types comprising such kind of tobacco and that the quantity of tobacco of such type or types to be produced under the marketing quotas and acreage allotments established pursuant to this section would not be sufficient to provide an adequate supply for estimated market demands and carry-over requirements for such type or types of tobacco, the Secretary shall increase the marketing quotas and acreage allotments for farms producing such type or types of tobacco in the preceding year to the extent necessary to make available a supply of such type or types of tobacco adequate to meet such demands and carry-over requirements. The increases in farm marketing quotas and acreage allotments shall be made on the basis of the production of such type or types of tobacco during the period of years considered in establishing farm marketing quotas and acreage allotments for such kind of tobacco. The additional production authorized by this subsection shall be in addition to the national marketing quota established for such kind of tobacco pursuant to section 312 of this Act. The increase in acreage under this subsection shall not be considered in establishing future State or farm acreage allotments.

(j) In establishing farm acreage allotments for burley tobacco crops for the years 1956, 1957, and 1958 the acreage allotment for any farm which has not been retired from agricultural production shall not be reduced below the acreage allotment which would otherwise be established because the harvested acreage was less than the allotted acreage unless the acreage harvested was less than 50 per centum of the allotted acreage in each of the preceding five years, in which event it shall not be reduced for such reason to less than the largest acreage harvested in any year in such five-year period.

(j) [sic] The production of tobacco on a farm in 1955 or any subsequent year for which no farm acreage allotment was established shall not make the farm eligible for an allotment as an old farm under subsections (b) and (g) hereof: *Provided, however*, That by reason of such production the farm need not be considered as ineligible for a new farm allotment under subsections (c) and (g) hereof, but such production shall not be deemed past tobacco experience for any producer on the farm.

#### PENALTIES

SEC. 314. (a) The marketing of any kind of tobacco in excess of the marketing quota for the farm on which the tobacco is produced shall be subject to a penalty of 75 per centum of the average market price (calculated to the nearest whole cent) for such kind of tobacco for the immediately preceding marketing year. Such penalty shall be paid by the person who acquired such tobacco from the producer but an amount equivalent to the penalty may be deducted by the buyer from the price paid to the producer in case such tobacco is marketed by sale; or, if the tobacco is marketed by the producer through a warehouseman or other agent, such penalty shall be paid by such warehouseman or agent who may deduct an amount equivalent to the penalty from the price paid to the producer: *Provided*, That in case any tobacco is marketed directly to any person outside the United States the penalty shall be paid and remitted by the producer. If any producer falsely identifies or fails to account for the disposition of any tobacco, an amount of tobacco equal to the normal yield of the number of acres harvested in excess of the farm-acreage allotment shall be deemed to have been marketed in excess of the marketing quota for the farm, and the penalty in respect thereof shall be paid and remitted by the producer. Tobacco carried over by the producer thereof from one marketing year to another may be marketed without payment of the penalty imposed by this section if the total amount of tobacco available for marketing from the farm in the marketing year from which the tobacco is carried over did not exceed the farm marketing quota established for the farm for such marketing year (or which would have been established if marketing quotas had been in effect for such marketing year), or if the tobacco so carried over does not exceed the normal production of that number of acres by which the harvested acreage of tobacco in the calendar year in which the marketing year begins is less than the farm-acreage allotment. Tobacco produced in a calendar year in which marketing quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though it is marketed prior to the date on which such marketing year begins.



(b) The Secretary shall require collection of the penalty upon a proportion of each lot of tobacco marketed from the farm equal to the proportion which the tobacco available for marketing from the farm in excess of the farm marketing quota is of the total amount of tobacco available for marketing from the farm if satisfactory proof is not furnished as to the disposition to be made of such excess tobacco prior to the marketing of any tobacco from the farm. All funds collected pursuant to this section shall be deposited in a special deposit account with the Treasurer of the United States until the end of the marketing year next succeeding that in which the funds are collected, and upon certification by the Secretary there shall be paid out of such special deposit account to persons designated by the Secretary the amount by which the penalty collected exceeds the amount of penalty due upon tobacco marketed in excess of the farm marketing quota for any farm. Such special account shall be administered by the Secretary, and the basis for, the amount of, and the person entitled to receive a payment from such account, when determined in accordance with regulations prescribed by the Secretary, shall be final and conclusive.

**[PART II—ACREAGE ALLOTMENTS—CORN]**

*PART II—ACREAGE ALLOTMENTS AND MARKETING QUOTAS—FEED GRAINS*

LEGISLATIVE FINDING

SEC. 321. Corn is a basic source of food for the Nation, and corn produced in the commercial corn-producing area moves almost wholly in interstate and foreign commerce in the form of corn, livestock, and livestock products.

Abnormally excessive and abnormally deficient supplies of corn acutely and directly affect, burden, and obstruct interstate and foreign commerce in corn, livestock, and livestock products. When abnormally excessive supplies exist, transportation facilities in interstate and foreign commerce are overtaxed, and the handling and processing facilities through which the flow of interstate and foreign commerce in corn, livestock, and livestock products is directed become acutely congested. Abnormally deficient supplies result in substantial decreases in livestock production and in an inadequate flow of livestock and livestock products in interstate and foreign commerce, with the consequence of unreasonably high prices to consumers.

Violent fluctuations from year to year in the available supply of corn disrupt the balance between the supply of livestock and livestock products moving in interstate and foreign commerce and the supply of corn available for feeding. When available supplies of corn are excessive, corn prices are low and farmers overexpand livestock production in order to find outlets for corn. Such expansion, together with the relative scarcity and high price of corn, forces farmers to market abnormally excessive supplies of livestock in interstate commerce at sacrifice prices, endangering the financial stability of producers, and overtaxing handling and processing facilities through which the flow of interstate and foreign commerce in livestock and livestock products is directed. Such excessive marketings deplete livestock on farms, and livestock marketed in interstate and foreign commerce consequently becomes abnormally low, with resultant high



prices to consumers and danger to the financial stability of persons engaged in transporting, handling, and processing livestock in interstate and foreign commerce. These high prices in turn result in another overexpansion of livestock production.

Recurring violent fluctuations in the price of corn resulting from corresponding violent fluctuations in the supply of corn directly affect the movement of livestock in interstate commerce from the range cattle regions to the regions where livestock is fattened for market in interstate and foreign commerce, and also directly affect the movement in interstate commerce of corn marketed as corn which is transported from the regions where produced to the regions where livestock is fattened for market in interstate and foreign commerce.

Substantially all the corn moving in interstate commerce, substantially all the corn fed to livestock transported in interstate commerce for fattening, and substantially all the corn fed to livestock marketed in interstate and foreign commerce, is produced in the commercial corn-producing area. Substantially all the corn produced in the commercial corn-producing area, with the exception of a comparatively small amount used for farm consumption, is either sold or transported in interstate commerce, or is fed to livestock transported in interstate commerce for feeding, or is fed to livestock marketed in interstate and foreign commerce. Almost all the corn produced outside the commercial corn-producing area is either consumed, or is fed to livestock which is consumed, in the State in which such corn is produced.

The conditions affecting the production and marketing of corn and the livestock products of corn are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of disparities between the supplies of livestock moving in interstate and foreign commerce and the supply of corn available for feeding, and provide for orderly marketing of corn in interstate and foreign commerce and livestock and livestock products in interstate and foreign commerce.

The national public interest requires that the burdens on interstate and foreign commerce above described be removed by the exercise of Federal power. By reason of the administrative and physical impracticability of regulating the movement of livestock and livestock products in interstate and foreign commerce and the inadequacy of any such regulation to remove such burdens, such power can be feasibly exercised only by providing for the withholding from market of excessive and burdensome supplies of corn in times of excessive production, and providing a reserve supply of corn available for market in times of deficient production, in order that a stable and continuous flow of livestock and livestock products in interstate and foreign commerce may at all times be assured and maintained.

**NATIONAL AND FARM FEED GRAIN BASES; ACREAGE ALLOTMENTS;  
CONSERVATION BASE**

*SEC. 322. (a) Prior to December 1, 1958, the Secretary shall establish for each farm producing feed grains in the United States a farm feed grain base for 1959, 1960, and 1961. The national feed grain base shall be one hundred and two million acres. Such national feed grain base shall be apportioned by the Secretary among the States on*

the basis of the acreage of feed grains (planted and diverted) in such States during the years 1955, 1956, and 1957, with adjustments for abnormal weather conditions in the local areas involved and for trends in acreage during such period and for the promotion of soil-conservation practices. The feed grain base for each State shall be apportioned by the Secretary among the counties on the basis of the acreage of feed grains (planted and diverted) in such counties during the years 1955, 1956, and 1957, with adjustments for abnormal weather conditions in the local areas involved and for trends in acreage during such period and for the promotion of soil-conservation practices. The feed grain base for the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of past acreage of feed grains (planted and diverted), tillable acreage, crop rotation practices, type of soil, and topography, with adjustments for abnormal weather conditions in the local areas involved and for the promotion of soil-conservation practices.

(b) Prior to December 1, 1958, the Secretary shall establish for each farm producing feed grains in the United States a conservation base included in which shall be the average of all farm acreage utilized during the years 1955, 1956, and 1957 for farm buildings, private roads, woodlands, permanent pasture, marshland, and all acreage not in cultivation, but not including tame hay acreage or rotational pasture.

(c) For each of the three crop years commencing January 1, 1959, the Secretary shall determine the national feed grain acreage allotment which shall be the acreage required to keep feed grain production in balance with domestic consumption and exports. For 1959 the national feed grain acreage allotment shall be eighty-one million six hundred thousand acres; for 1960 and 1961 the national feed grain acreage allotment shall be not less than eighty-one million six hundred thousand acres nor more than ninety-one million eight hundred thousand acres. The national feed grain acreage allotment shall be announced by the Secretary not later than November 1 preceding the year for which the allotment is determined.

(d) The Secretary through the State and local committees shall apportion the national feed grain acreage allotment among farms on the basis of the average acreage planted to feed grains and diverted from the production of feed grains under agricultural adjustment and conservation programs during the years 1955, 1956, and 1957, and on the basis of tillable acreage, crop-rotation practices, type of soil, and topography, with adjustments for abnormal weather conditions in the local areas involved and for the promotion of soil conservation practices.

(e) The farm feed grain allotment for any farm for 1959, 1960, and 1961 shall be the allotment as determined in accordance with the foregoing provisions less the number of acres, if any, by which the producers on the farm agree, pursuant to the provisions of the Feed Grains Act of 1958, to reduce their acreage below their allotment as determined by the foregoing provisions: Provided, That for 1959, 1960, and 1961 the ratio of the farm feed grain allotment to the farm feed grain base shall be the same as the ratio of the national feed grain allotment to the national feed grain base.



(f) *The Secretary through the State and local committees shall apportion not to exceed one hundred thousand acres among farms on which feed grains have not been produced during any of the years 1955, 1956, and 1957 on the basis of tillable acres on the farm, type of soil, topography, taking into consideration the acreage devoted to feed grain production on adjacent farms during the years 1955, 1956, and 1957. The acreage so apportioned shall be part of the national acreage allotment of feed grains.*

#### AMOUNT OF FARM MARKETING QUOTAS

*SEC. 323. The farm marketing quota for any crop of feed grains shall be the actual production of feed grains on the farm less the normal production of the acreage planted to feed grains on the farm in excess of the farm acreage allotment. The normal production from such excess acreage shall be known as the "farm marketing excess": Provided, That the farm marketing excess shall not be larger than the amount by which the actual production of feed grains on the farm exceeds the normal production of the farm acreage allotment if the producer establishes such actual production to the satisfaction of the Secretary.*

#### PENALTIES

*SEC. 324. (a) Whenever farm marketing quotas are in effect with respect to any crop of feed grains, the producer shall be subject to a penalty on the farm marketing excess at the rate of \$1 per bushel.*

*(b) The farm marketing excess of feed grains shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to feed grains in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 323, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted marketing excess shall be returned to or allowed the producer.*

*(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.*

*(d) Until the penalty on the farm marketing excess is paid, all feed grain produced on the farm and marketed by the producer shall be subject to the penalty provided by this section and a lien on the entire crop of feed grains produced on the farm shall be in effect in favor of the United States.*

*(e) A farm marketing quota on feed grains shall not be applicable to any farm on which the acreage planted to feed grains does not exceed the highest acreage planted to feed grains during the years 1955, 1956, and 1957, but not in excess of thirty acres unless the feed grain producers on the farm apply to reduce the acreage of feed grains on the farm pursuant to the provisions of the Feed Grains Act of 1958.*



(f) *Producers who knowingly and falsely certify as to their eligibility to vote in the referendum conducted pursuant to subtitle II of the Feed Grains Act of 1958 shall be guilty of a misdemeanor and upon conviction shall be fined not less than \$100 nor more than \$500.*

SEC. 326. (a) Whenever in any county or other area the Secretary finds that the actual production of corn plus the amount of corn stored under seal in such county or other area is less than the normal production of the marketing percentage of the farm acreage allotments in such county or other area, the Secretary shall terminate farm marketing quotas for corn in such county or other area.

(b) Whenever, upon any farm, the actual production of the acreage of corn is less than the normal production of the marketing percentage of the farm acreage allotment, there may be marketed, without penalty, from such farm an amount of corn from the corn stored under seal pursuant to section 324 which, together with the actual production of the then current crop, will equal the normal production of the marketing percentage of the farm acreage allotment.

(c) Whenever, in any marketing year, marketing quotas are not in effect with respect to the crop of corn produced in the calendar year in which such marketing year begins, all marketing quotas applicable to previous crops of corn shall be terminated.

#### PROCLAMATION OF COMMERCIAL CORN-PRODUCING AREA

SEC. 327. Not later than February 1 of each calendar year, the Secretary shall ascertain and proclaim the commercial corn-producing area.

#### ACREAGE ALLOTMENT

SEC. 328. The acreage allotment of corn for any calendar year shall be that acreage in the commercial corn-producing area which, on the basis of the average yield for corn in such area during the five calendar years immediately preceding such calendar year, adjusted for abnormal weather conditions, will produce an amount of corn in such area which the Secretary determines will, together with corn produced in the United States outside the commercial corn-producing area and corn imported, make available a supply for the marketing year beginning in such calendar year, equal to the normal supply. The Secretary shall proclaim such acreage allotment not later than February 1 of the calendar year for which such acreage allotment was determined.

#### APPORTIONMENT OF ACREAGE ALLOTMENT

SEC. 329. (a) The acreage allotment for corn shall be apportioned by the Secretary among the counties in the commercial corn-producing area on the basis of the acreage seeded for the production of corn during the five calendar years immediately preceding the calendar year in which the apportionment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period and for the promotion of soil-conservation practices: *Provided*, That any downward

adjustment for the promotion of soil-conservation practices shall not exceed 2 per centum of the total acreage allotment that would otherwise be made to such county.

(b) The acreage allotment to the county for corn shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of tillable acreage, crop-rotation practices, type of soil, and topography.

### PART III—MARKETING QUOTAS—WHEAT

#### LEGISLATIVE FINDINGS

SEC. 331. Wheat is a basic source of food for the Nation, is produced throughout the United States by more than a million farmers, is sold on the country-wide market and, as wheat or flour, flows almost entirely through instrumentalities of interstate and foreign commerce from producers to consumers.

Abnormally excessive and abnormally deficient supplies of wheat on the country-wide market acutely and directly affect, burden, and obstruct interstate and foreign commerce. Abnormally excessive supplies overtax the facilities of interstate and foreign transportation, congest terminal markets and milling centers in the flow of wheat from producers to consumers, depress the price of wheat in interstate and foreign commerce, and otherwise disrupt the orderly marketing of such commodity in such commerce. Abnormally deficient supplies result in an inadequate flow of wheat and its products in interstate and foreign commerce with consequent injurious effects to the instrumentalities of such commerce and with excessive increases in the prices of wheat and its products in interstate and foreign commerce.

It is in the interest of the general welfare that interstate and foreign commerce in wheat and its products be protected from such burdensome surpluses and distressing shortages, and that a supply of wheat be maintained which is adequate to meet domestic consumption and export requirements in years of drought, flood, and other adverse conditions as well as in years of plenty, and that the soil resources of the Nation be not wasted in the production of such burdensome surpluses. Such surpluses result in disastrously low prices of wheat and other grains to wheat producers, destroy the purchasing power of grain producers for industrial products, and reduce the value of the agricultural assets supporting the national credit structure. Such shortages of wheat result in unreasonably high prices of flour and bread to consumers and loss of market outlets by wheat producers.

The conditions affecting the production and marketing of wheat are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of such surpluses and shortages and the burdens on interstate and foreign commerce resulting therefrom, maintain normal supplies of wheat, or provide for the orderly marketing thereof in interstate and foreign commerce.

The provisions of this Part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, and provide

for an adequate flow of wheat and its products in interstate and foreign commerce. The provisions hereof for regulation of marketings by producers of wheat whenever an abnormally excessive supply of such commodity exists are necessary in order to maintain an orderly flow of wheat in interstate and foreign commerce under such conditions.

#### PROCLAMATIONS OF SUPPLIES AND ALLOTMENTS

SEC. 332. Not later than May 15 of each calendar year the Secretary shall ascertain and proclaim the national acreage allotment for the crop of wheat produced in the next succeeding calendar year.

#### NATIONAL ACREAGE ALLOTMENT

SEC. 333. The national acreage allotment for any crop of wheat shall be that acreage which the Secretary determines will, on the basis of the national average yield for wheat, produce an amount thereof adequate, together with the estimated carry-over at the beginning of the marketing year for such crop and imports, to make available a supply for such marketing year equal to a normal year's domestic consumption and exports plus 30 per centum thereof. The national acreage allotment for wheat for any year shall be not less than fifty-five million acres.

#### APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

SEC. 334. (a) The national acreage allotment for wheat, less a reserve of not to exceed one per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period: *Provided*, That in establishing State acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing State wheat acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year. The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of counties for additional allotment because of reclamation and



other new areas coming into the production of wheat during the ten calendar years ending with the calendar year in which the national acreage allotment is proclaimed.

(b) The State acreage allotment for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State, on the basis of the acreage seeded for the production of wheat during the ten calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such period and for the promotion of soil-conservation practices: *Provided*, That in establishing county acreage allotments the acreage seeded for the production of wheat plus the acreage diverted for 1959 and any subsequent year for any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty shall be the base acreage of wheat determined for the farm under the regulations issued by the Secretary for determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing county acreage allotments subsequent to such depletion the seeded plus diverted acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

(c) The allotment to the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of past acreage of wheat tillable acres, crop-rotation practices, type of soil, and topography. Not more than 3 per centum of the State allotment shall be apportioned to farms on which wheat has not been planted during any of the three marketing years immediately preceding the marketing year in which the allotment is made. For the purpose of establishing farm acreage allotments—(i) the past acreage of wheat on any farm for 1958 shall be the base acreage determined for the farm under the regulations issued by the Secretary for determining 1958 farm wheat acreage allotments; (ii) if subsequent to the determination of such base acreage the 1958 wheat acreage allotment for the farm is increased through administrative, review, or court proceedings, the 1958 farm base acreage shall be increased in the same proportion; and (iii) the past acreage of wheat for 1959 and any subsequent year shall be the wheat acreage on the farm which is not in excess of the farm wheat acreage allotment, plus, in the case of any farm which is in compliance with its farm wheat acreage allotment, the acreage diverted under such wheat allotment programs: *Provided*, That for 1959 and subsequent years in the case of any farm on which the entire amount of the farm marketing excess is delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone payment of the penalty, the past acreage of wheat for the year in which such farm marketing excess is so delivered or stored shall be the farm base acreage of wheat determined for the farm under the regulations issued by the Secretary for

determining farm wheat acreage allotments for such year, but if any part of the amount of wheat so stored is later depleted and penalty becomes due by reason of such depletion, for the purpose of establishing farm wheat acreage allotments subsequent to such depletion the past acreage of wheat for the farm for the year in which the excess was produced shall be reduced to the farm wheat acreage allotment for such year.

(d) Notwithstanding any other provision of this section, the allotments established, or which would have been established, for any farm acquired in 1950 or thereafter by the United States for national-defense purposes shall be placed in an allotment pool and shall be used only to establish allotments for other farms owned or acquired by the owner of the farm so acquired by the United States. The allotment so made for any farm, including a farm on which wheat has not been planted during any of the three marketing years preceding the marketing year in which the allotment is made, shall compare with the allotments established for other farms in the same area which are similar except for the past acreage of wheat.

(e) Notwithstanding any other provision of this Act, the Secretary shall increase the farm marketing quotas and acreage allotments for the 1957 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during one or more of the five years 1952 through 1956. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the "original allotment") an acreage equal to the acreage by which the original allotment exceeds the 1957 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as "other wheat"), but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purpose of this subsection (1) the original allotment for each farm shall be not less than fifteen acres, and (2) varieties of class II (durum wheat) known as "Golden Ball" and "Peliss" shall be regarded as "other wheat." Notwithstanding any other provision of this subsection, (1) no acreage allotment shall be increased under this subsection by more than sixty acres, and (2) no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).

The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county and farm acreage allotments.



The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U. S. C. 1340 (6)), and section 326 (b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection.

For the purpose of applying section 103 (a) (1) of the Soil Bank Act (relating to participation in the acreage reserve) to any farm receiving an increased allotment under this subsection—

(1) the “farm acreage allotment” shall be the allotment established without regard to this subsection and not the increased allotment under this subsection, and

(2) each acre planted to durum wheat (class II) shall count as one-half acre of wheat.

For the purposes of this subsection “wheat acreage on the farm” shall include acreage in the wheat acreage reserve.

(f) Any part of any 1955, 1956, or 1957 farm wheat acreage allotment on which wheat will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of wheat tillable acres, crop rotation practices, type of soil, and topography. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State acreage reserve under subsection (c) of this section. Any allotment transferred under this provision shall be regarded for the purposes of subsection (c) of this section as having been planted on the farm from which transferred rather than on the farm to which transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having wheat planted thereon during the three-year base period: *Provided*, That notwithstanding any other provisions of law, any part of any 1955, 1956, or 1957 farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein. Acreage surrendered, reapportioned under this subsection, and planted shall be credited to the State and county in determining future acreage allotments.

(g) If the county committee determines that any producer is prevented from seeding wheat for harvest as grain in his usual planting season because of unfavorable weather conditions, and the operator of the farm notifies the county committee not later than December 1 in any area where only winter wheat is grown, or June 1 in the spring wheat area (including an area where both spring and winter wheat are grown), that he does not intend to seed his full wheat allotment for the crop year because of the unfavorable weather conditions, the entire farm wheat allotment for such year shall be regarded as wheat acreage for the purposes of establishing future State, county, and farm acreage allotments: *Provided*, That if any producer on a farm obtains a reduction in the storage amount of any previous crop of



wheat by reason of underplanting the farm wheat acreage allotment pursuant to paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U. S. C. 1340 (6)), or by reason of producing less than the normal production of the farm wheat acreage allotment pursuant to section 326 (b) of this Act, this provision may not be made applicable to such farm with respect to the crop of wheat for which the farm acreage allotment was established.

(h) Notwithstanding any other provision of law, no acreage in the commercial wheat-producing area seeded to wheat for harvest as grain in 1958 or thereafter in excess of acreage allotments shall be considered in establishing future State and county acreage allotments except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section. The planting on a farm in the commercial wheat-producing area of wheat of the 1958 or any subsequent crop for which no farm wheat acreage allotment was established shall not make the farm eligible for an allotment as an old farm pursuant to the first sentence of subsection (c) of this section nor shall such farm by reason of such planting be considered ineligible for an allotment as a new farm under the second sentence of such subsection.

(i) Notwithstanding any other provision of this Act the Secretary shall increase the acreage allotments for the 1958 and 1959 crops of wheat for farms in the irrigable portion of the area known as the Tululake division of the Klamath project of California located in Modoc and Siskiyou Counties, California, as defined by the United States Department of Interior, Bureau of Reclamation, and hereinafter referred to as the area. The increase for the area for each such crop shall be determined by adding to the total allotments established for farms in the area for the particular crop without regard to this subsection, hereinafter referred to as the original allotments, an acreage sufficient to make available for each such crop a total allotment of eight thousand acres for the area. The additional allotments made available by this subsection shall be in addition to the National, State and county allotments otherwise established under this Act, but the acreage planted to wheat pursuant to such increased allotments shall be taken into account in establishing future State, county, and farm acreage allotments. The Secretary shall apportion the additional allotment acreage made available under this subsection between Modoc and Siskiyou Counties on the basis of the relative needs for additional allotments for the portion of the area in each county. The Secretary shall also allot such additional acreage to individual farms in the area for which an application for an increased acreage is made on the basis of tillable acres, crop rotation practices, type of soil and topography, and taking into account the original allotment for the farm, if any. No producer shall be eligible to participate in the wheat acreage reserve program with respect to any farm for any year for which such farm receives an additional allotment under this subsection; and no wheat produced on such farm in such year shall be eligible for price support. The increase in the wheat acreage allotment for any farm under this subsection shall be conditioned upon the production of durum wheat (class II) on such increased acreage.

## MARKETING QUOTAS

SEC. 335. (a) Whenever in any calendar year the Secretary determines—

(1) that the total supply of wheat for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 20 per centum; or

(2) that the total supply of wheat for the marketing year ending in such calendar year is not less than the normal supply for the marketing year so ending, and that the average farm price for wheat for three successive months of the marketing year so ending does not exceed 66 per centum of parity

the Secretary shall, not later than May 15 of such calendar year, proclaim such fact and, during the marketing year beginning July 1 of the next succeeding calendar year and continuing throughout such marketing year, a national marketing quota shall be in effect with respect to the marketing of wheat. Marketing quotas for any marketing year shall be in effect with respect to wheat harvested in the calendar year in which such marketing year begins notwithstanding that the wheat is marketed prior to the beginning of such marketing year.

(b) The amount of the national marketing quota for wheat shall be equal to a normal year's domestic consumption and exports plus 30 per centum thereof, less the sum of (1) the estimated carry-over of wheat as of the beginning of the marketing year with respect to which the quota is proclaimed and (2) the estimated amount of wheat which will be used on farms as seed or livestock feed during the marketing year.

(c) The farm marketing quota for any farm for any marketing year shall be a number of bushels of wheat equal to the sum of—

(1) A number of bushels equal to the normal production or the actual production, whichever is the greater, of the farm acreage allotment; and

(2) A number of bushels equal to the amount, or part thereof, of wheat from any previous crop which the farmer has on hand which, had such amount, or part thereof, been marketed during the preceding marketing year in addition to the wheat actually marketed during such preceding marketing year, could have been marketed without penalty.

(3) Any farmer who does not market wheat in excess of the normal production or the actual production, whichever is the greater, of the farm acreage allotment shall not be subject to penalty under the provisions of section 339. Any farmer who stores, in accordance with regulations issued by the Secretary, an amount of wheat which is less than the amount subject to penalty, shall be presumed to have marketed the amount of such wheat subject to penalty which is not so stored.

(d) No farm marketing quota with respect to wheat shall be applicable in any marketing year to any farm on which the normal production of the acreage planted to wheat of the current crop is less than two hundred bushels.

(e) If, for any marketing year, the acreage allotment for wheat for any State is twenty-five thousand acres or less, the Secretary, in order to promote efficient administration of this Act and the Agricul-



tural Act of 1949, may designate such State as outside the commercial wheat-producing area for such marketing year. No farm marketing quota or acreage allotment with respect to wheat under this title shall be applicable in such marketing year to any farm in any State so designated; and no acreage allotment in any other State shall be increased by reason of such designation. Notice of any such designation shall be published in the Federal Register.

(f) The Secretary, upon application made pursuant to regulations prescribed by him, shall exempt producers from any obligation under this Act to pay the penalty on, deliver to the Secretary, or store the farm marketing excess with respect to any farm for any crop of wheat harvested in 1958 or any subsequent year on the following conditions:

(1) That the total wheat acreage on the farm does not exceed 30 acres: *Provided, however*, That this condition shall not apply to farms operated by and as part of State or county institutions or religious or eleemosynary institutions;

(2) That none of such crop of wheat is removed from such farm except to be processed for use as human food or livestock feed on such farm and none of such crop is sold or exchanged for goods or services;

(3) That such entire crop of wheat is used on such farm for seed, human food, or feed for livestock, including poultry, owned by any such producer, or a subsequent owner or operator of the farm; and

(4) That such producers and their successors comply with all regulations prescribed by the Secretary for the purpose of determining compliance with the foregoing conditions.

Failure to comply with any of the foregoing conditions shall cause the exemption to become immediately null and void unless such failure is due to circumstances beyond the control of such producers as determined by the Secretary. In the event an exemption becomes null and void the provisions of this Act shall become applicable to the same extent as if such exemption had not been granted. No acreage planted to wheat in excess of the farm acreage allotment for a crop covered by an exemption hereunder shall be considered in determining any subsequent wheat acreage allotment or marketing quota for such farm and the estimated production from such excess acreage shall not be included in total supply and normal supply in the determination of future marketing quotas and level of price support. No producer exempted under this section shall be eligible to vote in the referendum under section 336 with respect to the next subsequent crop of wheat.

#### REFERENDUM

SEC. 336. Between the date of the issuance of any proclamation of any national marketing quota for wheat and July 25, the Secretary shall conduct a referendum, by secret ballot, of farmers who will be subject to the quota specified therein to determine whether such farmers favor or oppose such quota. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, by proclamation suspend the operation of the national marketing quotas with respect to wheat.



## ADJUSTMENT AND SUSPENSION OF QUOTA

SEC. 337. (a) If the total supply as proclaimed by the Secretary within forty-five days after the beginning of the marketing year is less than that specified in the proclamation by the Secretary under section 335 (a), then the national marketing quota specified in the proclamation under such section shall be increased accordingly.

(b) Whenever it shall appear from either the July or the August production estimates, officially published by the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics of the Department, that the total supply of wheat as of the beginning of the marketing year was less than a normal year's domestic consumption and exports plus 30 per centum thereof, the Secretary shall proclaim such fact prior to July 20, or August 20, as the case may be, if farm marketing quotas have been announced with respect to the crop grown in such calendar year. Thereupon such quotas shall become ineffective.

## TRANSFER OF QUOTAS

SEC. 338. Farm marketing quotas for wheat shall not be transferable, but, in accordance with regulations prescribed by the Secretary for such purpose, any farm marketing quota in excess of the supply of wheat for such farm for any marketing year may be allocated to other farms on which the acreage allotment has not been exceeded.

## PART IV—MARKETING QUOTAS—COTTON

## LEGISLATIVE FINDINGS

SEC. 341. American cotton is a basic source of clothing and industrial products used by every person in the United States and by substantial numbers of people in foreign countries. American cotton is sold on a world-wide market and moves from the places of production almost entirely in interstate and foreign commerce to processing establishments located throughout the world at places outside the State where the cotton is produced.

Fluctuations in supplies of cotton and the marketing of excessive supplies of cotton in interstate and foreign commerce disrupt the orderly marketing of cotton in such commerce with consequent injury to and destruction of such commerce. Excessive supplies of cotton directly and materially affect the volume of cotton moving in interstate and foreign commerce and cause disparity in prices of cotton and industrial products moving in interstate and foreign commerce with consequent diminution of the volume of such commerce in industrial products.

The conditions affecting the production and marketing of cotton are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of excessive supplies of cotton and fluctuations in supplies, cannot prevent indiscriminate dumping of excessive supplies on the Nation-wide and foreign markets, cannot maintain normal carry-overs of cotton, and cannot provide for the orderly marketing of cotton in interstate and foreign commerce.

It is in the interest of the general welfare that interstate and foreign commerce in cotton be protected from the burdens caused by the marketing of excessive supplies of cotton in such commerce, that a supply of cotton be maintained which is adequate to meet domestic consumption and export requirements in years of drought, flood and other adverse conditions as well as in years of plenty, and that the soil resources of the Nation be not wasted in the production of excessive supplies of cotton.

The provisions of this Part affording a cooperative plan to cotton producers are necessary and appropriate to prevent the burdens on interstate and foreign commerce caused by the marketing in such commerce of excessive supplies, and to promote, foster, and maintain an orderly flow of an adequate supply of cotton in such commerce.

#### NATIONAL MARKETING QUOTA

SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. The national marketing quota for any year shall be not less than ten million bales or one million bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller: *Provided*, That the national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of twenty-one million acres. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made. Notwithstanding the foregoing provisions of this section, the national marketing quota for cotton for 1957 and 1958 shall be not less than the number of bales required to provide a national acreage allotment for 1957 and 1958 equal to the national acreage allotment for 1956: *Provided*, That if the acreage allotment for any State for 1957 or 1958 is less than its allotment for the preceding year by more than 1 per centum, such State allotment shall be increased so that the reduction shall not exceed 1 per centum per annum, and the acreage required for such increase shall be in addition to the national acreage allotment for such year. Additional acreage apportioned to a State for 1957 or 1958 under the foregoing proviso shall not be taken into account in establishing future State allotments.

#### REFERENDUM

SEC. 343. Not later than December 15 following the issuance of the marketing quota proclamation provided for in section 342, the Secretary shall conduct a referendum, by secret ballot, of farmers engaged



in the production of cotton in the calendar year in which the referendum is held, to determine whether such farmers are in favor of or opposed to the quota so proclaimed: *Provided*, That if marketing quotas are proclaimed for the 1950 crop, farmers eligible to vote in the referendum held with respect to such crop shall be those farmers who were engaged in the production of cotton in the calendar year of 1948. If more than one-third of the farmers voting in the referendum oppose the national marketing quota, such quota shall become ineffective upon proclamation of the results of the referendum. The Secretary shall proclaim the results of any referendum held hereunder within thirty days after the date of such referendum.

#### ACREAGE ALLOTMENTS

SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the five years immediately preceding the calendar year in which the national marketing quota is proclaimed, required to make available from such crop an amount of cotton equal to the national marketing quota.

(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period: *Provided*, That there is hereby established a national acreage reserve consisting of one hundred thousand acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be one thousand acres), and the additional acreage so apportioned to the State shall be apportioned to the counties on the same basis and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing proviso and under the last proviso in subsection (e) shall be determined as though allotments were first computed without regard to subsection (f) (1).

(c) (Applicable only to the 1950 and 1951 crops of cotton.)

(d) (Applicable only to the 1952 crop of cotton.)

(e) The State acreage allotment for cotton shall be apportioned to counties on the same basis as to years and conditions as is appli-



cable to the State under subsections (b), (c), and (d) of this section: *Provided*, That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted acreage was in excess of one million acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardship: *Provided further*, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved by the State committee under this subsection shall not be less than the smaller of (1) the remaining acreage so determined to be required for establishing minimum farm allotments or (2) 3 per centum of the State acreage allotment; and the acreage which the State committee is required to reserve under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreages).

(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph (3) of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

(1) Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) four acres; or (B) the highest number of acres planted to cotton in any year of such three-year period.

(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreages the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: *Provided, however*, That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) in any such year.

(3) The county committee may reserve not in excess of 15 per centum of the county allotment \* \* \* which, in addition to the acreage made available under the proviso in subsection (e), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm acreage allotments to correct inequities and to prevent hardships: *Provided*, That not less than 20 per centum of the acreage reserved under this subsection shall, to the extent required, be allotted, upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f) (1) (B)), if any, to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection.

(4) Any part of the acreage allotted for 1950 to individual farms in any county under the provisions of this section which will not be planted to cotton and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments to the extent necessary to provide such farms with the allotments authorized under paragraph (5) of this subsection. If any acreage remains after providing such allotments, it may be apportioned in amounts determined by the county committee to be fair and reasonable to other farms in the same county receiving allotments which the county committee determines are inadequate and not representative in view of their past production of cotton and to new farms in such county. No allotment shall be made, or increased, by reason of this paragraph to an acreage in excess of 40 per centum of the acreage on the farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary. Any transfer of allotment under this paragraph shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except in accordance with paragraph (1) (B) and the proviso in paragraph (2) of this subsection: *Provided*, That any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm and may be reapportioned in the manner set forth above. In any subsequent year, unless hereafter otherwise provided by law, acreage surrendered under this paragraph and reallocated pursuant to applications filed in accordance with the provisions of paragraph (5) of this section shall be credited to the State and county in determining acreage allotments.

(5) Notwithstanding any other provision of law and without reducing any farm acreage allotment determined pursuant to the foregoing provisions of this subsection, each farm acreage allotment for 1950 shall be increased by such amount as may be necessary to provide an



allotment equal to the larger of 65 per centum of the average acreage planted to cotton (or regarded as planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) on the farm in 1946, 1947, and 1948, or 45 per centum of the highest acreage planted to cotton (or regarded as planted to cotton under Public Law 12, Seventy-ninth Congress) on the farm in any one of such three years; but no such allotment shall be increased by reason of this provision to an acreage in excess of 40 per centum of the acreage on the farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary. An increase in any 1950 farm acreage allotment shall be made pursuant to this paragraph only upon application in writing by the owner or operator of the farm within such reasonable period of time (in no event less than fifteen days) as may be prescribed by the Secretary. The additional acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this paragraph shall not be taken into account in establishing future State, county, and farm acreage allotments.

(6) Notwithstanding the provisions of paragraph (2) of this subsection, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the remainder of the county acreage allotment (after making allotments as provided in paragraph (1) of this subsection) shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the three years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period: *Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 per centum of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 per centum limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purpose specified therein. If the county acreage allotment is apportioned among the farms of the county in accordance with the provisions of this paragraph, the acreage reserved under paragraph (3) of this subsection may be used to make adjustments so as to establish allotments which are fair and reasonable to farms receiving allotments under this paragraph in relation to the factors set forth in paragraph (3).

(7) *Notwithstanding the foregoing provisions of paragraphs (2) and (6) of this subsection, the Secretary may, if he determines that such action will facilitate the effective administration of the provi-*



*sions of the Act, provide for the county acreage allotment for 1959, 1960, and 1961, less the acreage reserved under paragraph (3) of this subsection, to be apportioned to farms on which cotton has been planted in any one of the three years immediately preceding the year for which such allotment is determined, on the basis of the farm acreage allotment for the year immediately preceding the year for which such apportionment is made, adjusted as may be necessary for any change in the acreage of cropland available for the production of cotton: Provided, That the State and county bases for apportioning the acreage reserve provided for in subsection (b) of this section for establishing minimum farm allotments pursuant to paragraph (1) of this subsection shall be the same as those determined by the Secretary in apportioning such reserves in establishing 1958 farm cotton acreage allotments.*

(g) Notwithstanding the foregoing provisions of this section—

(1) State, county, and farm acreage allotments and yields for cotton shall be established in conformity with Public Law 28, Eighty-first Congress.

(2) In apportioning the county allotment among the farms within the county, the Secretary, through the local committees, shall take into consideration different conditions within separate administrative areas within a county if any exist, including types, kinds, and productivity of the soil so as to prevent discrimination among the administrative areas of the county.

(3) For any farm on which the acreage planted to cotton in any year is less than the farm acreage allotment for such year by not more than the larger of 10 per centum of the allotment or one acre, an acreage equal to the farm acreage allotment shall be deemed to be the acreage planted to cotton on such farm, and the additional acreage added to the cotton acreage history for the farm shall be added to the cotton acreage history for the county and State.

(h) Notwithstanding any other provision of this section, the county committee, upon application by the owner or operator of the farm, (1) may establish an allotment for any cotton farm acquired in 1940 or thereafter for nonfarming purposes by the United States or any State or agency thereof which has been returned to agricultural production but which is not eligible for an allotment under paragraph (1) or (2) of subsection (f) of this section, and (2) shall establish an allotment for any farm within the State owned or operated by the person from whom a cotton farm was acquired in such State in 1940 or thereafter for a governmental or other public purpose: *Provided*, That no allotment shall be established for any such farm unless application therefor is filed within three years after acquisition of such farm by the applicant or within three years after the enactment of this Act, whichever period is longer: *And provided further*, That no person shall be entitled to receive an allotment under both (1) and (2) of this subsection. The allotment so made for any such farm shall compare with the allotments established for other farms in the same area which are similar, taking into consideration the acreage allotment, if any, of the farm so acquired, the land, labor, and equipment available for the production of cotton, crop rotation practices, and the soil and other physical facilities affecting the production of cotton. Except

to the extent that the production on any such farm has contributed to the county and State allotments, any allotment established pursuant to this subsection shall be in addition to the acreage allotments otherwise established for the county and State under this Act, and the production from the additional acreage so allotted shall be in addition to the national marketing quota. In any county in which a major flood-control reservoir constructed by the United States Government shall have been located wholly or in part, acreage allotments for the production of cotton on the lands within such reservoir, which lands, because of permanent or perennial flooding occasioned by the construction of such reservoir, shall be unfit for further cotton production, may be reallocated, within the discretion of the county committee, to other lands within the county as will in the opinion of said committee best serve the public interest.

(i) Notwithstanding any other provision of this Act, any acreage planted to cotton in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

(j) Notwithstanding any other provision of this Act, State and county committees shall make available for inspection by owners or operators of farms receiving cotton acreage allotments all records pertaining to cotton acreage allotments and marketing quotas.

(k) Notwithstanding any other provision of this section except subsection (g) (1), there shall be allotted to each State for which an allotment is made under this section not less than the smaller of (A) four thousand acres or (B) the highest acreage planted to cotton in any one of the three calendar years immediately preceding the year for which the allotment is made.

(1) (This subsection relating to war crops under Public Law 12, Seventy-ninth Congress, does not apply to the 1955 and succeeding crops of cotton.)

(m) Notwithstanding any other provision of law—

(1) The national acreage allotment established under subsection (a) of this section for the 1954 crop of cotton shall be increased to twenty-one million acres and apportioned to the States in the same manner in which the national acreage allotment heretofore established for 1954 was apportioned to the States. In addition to such increased national acreage allotment, and in order to provide equitable adjustments in 1954 farm acreage allotments, (A) three hundred and fifteen thousand additional acres shall be prorated as follows: one-half to the States of Arizona, California, and New Mexico, and one-half to the other States (excluding those which received a minimum allotment under subsection (k) of this section), the proration of each half being made to the States participating therein on the basis of their respective shares of the increased national acreage allotment, and (B) such additional acreage shall be added as may be required to provide each State a total allotment under subsection (b) of this section and the provisions of this paragraph of not less than 66 per centum of the acreage planted to cotton in the State in 1952. The additional acreage made available to States under clause (B) of the preceding sentence shall not be taken into account in establishing future State acreage allotments. The additional acreage made available to States under the provisions of this paragraph (1) shall be apportioned to



counties on the basis of their respective shares of the State acreage allotment heretofore apportioned pursuant to subsection (e) of this section, and the additional acreage shall be apportioned to farms pursuant to the provisions of subsection (f) of this section: *Provided*, That, if the county committee determines that such action will result in a more equitable distribution of the additional county allotment among farms in the county, the additional acreage shall be apportioned by the county committee to farms so as to provide each farm with an allotment equal to the larger of 65 per centum of the average acreage planted to cotton on the farm in 1951, 1952, and 1953 (as determined by the county committee in establishing allotments under subsection (f) of this section) or 40 per centum of the highest acreage planted to cotton on the farm in any one of such three years as so determined: *Provided*, That the State committee in each State shall limit such increase based on the system of farming, soil, crop-rotation practices, and other physical factors affecting production in such State, to an acreage not in excess of 50 per centum of the cropland on the farm, as determined under regulations heretofore prescribed by the Secretary. If the additional acreage is insufficient to meet the total of the farm increases so computed, such farm increases shall be reduced pro rata to the additional acreage available to the county; if the additional acreage available to the county is in excess of the total of the farm increases so computed the acreage remaining after making such increases shall be allotted to farms pursuant to the provisions of subsection (f) (3). Notwithstanding the foregoing provisions of this paragraph, if the State committee determines that such action will result in a more equitable distribution of the additional acreage made available to the State under this paragraph (1) it shall apportion such additional allotment directly to farms so as to provide each farm with an allotment equal to the larger of 65 per centum of the average acreage planted to cotton on the farm in 1951, 1952, and 1953 (as determined by the county committee in establishing allotments under subsection (f) of this section) or 40 per centum of the highest acreage planted to cotton on the farm in any one of such three years as so determined: *Provided*, That the State committee in each State shall limit such increase based on the system of farming, soil, crop-rotation practices, and other physical factors affecting production in such State, to an acreage not in excess of 50 per centum of the cropland on the farm, as determined under regulations heretofore prescribed by the Secretary: *Provided*, That if the State total of the farm increases so computed exceeds the additional acreage made available to the State under this paragraph, such farm increases shall be reduced pro rata to the additional acreage available to the State. Any acreage unallotted to farms because of the limitations contained in the preceding sentence shall be apportioned by the State committee to counties on the basis of past acreages planted to cotton and shall be used by county committees for adjustments in farm allotments on the basis of one or more of the following: The past acreage of cotton on the farm, the percentage of cropland heretofore determined under subsection (f) (2) of this section, and the factors enumerated in subsection (f) (3) of this section. Before apportioning such unallotted acreage to counties as provided in the foregoing sentence, the State committee may, if it determines that such action is required to provide equitable



allotments within the State, apportion such unallotted acreage directly to farms to the extent required to provide each farm with the minimum allotment described in subsection (f) (1) of this section. Any part of the county allotment heretofore established for the 1954 crop which was not apportioned to farms because of the limitation contained in the proviso in subsection (f) (2) of this section shall be available to the State committee and used as provided above for apportionment of unallotted acreage to farms. The provisions of this subsection, except paragraph (2), shall not apply to extra long staple cotton covered by section 347 of this Act.

(2) Any part of any farm cotton acreage allotment on which cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of cotton, land, labor, equipment available for the production of cotton, crop rotation practices, and soil and other physical facilities affecting the production of cotton. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State acreage reserve under subsection (e) of this section. Any allotment transferred under this provision shall be regarded for the purposes of subsection (f) of this section as having been planted on the farm from which transferred rather than on the farm to which transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having cotton planted thereon during the three-year base period: *Provided*, That notwithstanding any other provisions of law, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein. Acreage surrendered, reapportioned under this paragraph, and planted shall be credited to the State and county in determining future acreage allotments. The provisions of this paragraph shall apply also to extra long staple cotton covered by section 347 of this Act.

(3) Notwithstanding any other provision of this section or other provision of law, the acreage allotted to any State for 1954 under the provisions of subsection (b) of this section and the provisions of paragraph (1) of this subsection which is less than one hundred thousand acres but more than thirty thousand acres shall be increased by an acreage equal to 15 per centum of the acreage allotted to it prior to the enactment of this subsection. Such acreage shall be used by the State committee as a reserve to make equitable adjustments in 1954 farm acreage allotments on the basis of land, labor, equipment available for the production of cotton, crop-rotation practices, past acreages of cotton, soil, and other physical factors affecting the production of cotton.

(n) Notwithstanding any other provision of this Act, if the Secretary determines that because of a natural disaster a substantial portion of the 1958 farm cotton acreage allotments in a county cannot be timely planted or replanted, he may authorize the transfer of all or a

part of the cotton acreage allotment for any farm in the county so affected to another farm in the county or in an adjoining county on which one or more of the producers on the farm from which the transfer is to be made will be engaged in the production of cotton and will share in the proceeds thereof, in accordance with such regulations as the Secretary may prescribe. Acreage history credits for transferred acreage shall be governed by the provisions of subsection (m) (2) of this section pertaining to the release and reapportionment of acreage allotments. No transfer hereunder shall be made to a farm covered by a 1958 acreage reserve contract for cotton.

#### FARM MARKETING QUOTAS

SEC. 345. The farm marketing quota for any crop of cotton shall be the actual production of the acreage planted to cotton on the farm less the farm marketing excess. The farm marketing excess shall be the normal production of that acreage planted to cotton on the farm which is in excess of the farm acreage allotment: *Provided*, That such farm marketing excess shall not be larger than the amount by which the actual production of cotton on the farm exceeds the normal production of the farm acreage allotment, if the producer establishes such actual production to the satisfaction of the Secretary.

#### PENALTIES

SEC. 346. (a) Whenever farm marketing quotas are in effect with respect to any crop of cotton, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for cotton as of June 15 of the calendar year in which such crop is produced.

(b) The farm marketing excess of cotton shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to cotton in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 345, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted farm marketing excess shall be returned to or allowed the producer.

(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

(d) Until the penalty on the farm marketing excess is paid, all cotton produced on the farm and marketed by the producer shall be subject to the penalty provided by this section and a lien on the entire crop of cotton produced on the farm shall be in effect in favor of the United States.

#### LONG STAPLE COTTON

SEC. 347. (a) Except as otherwise provided by this section, the provisions of the Part shall not apply to extra long staple cotton which is produced from pure strain varieties of the Barbadosense species, or and hybrid thereof, or other similar types of extra long staple cotton



designated by the Secretary having characteristics needed for various end uses for which American upland cotton is not suitable, and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of such varieties or types.

(b) Whenever during any calendar year, not later than October 15, the Secretary determines that the total supply of cotton described in subsection (a) for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of such cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the quantity of cotton described in subsection (a) adequate to make available a normal supply of cotton, taking into account (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year, and (2) the estimated imports during such marketing year. The national marketing quota for cotton described in subsection (a) for any year shall not be less than the larger of thirty thousand bales or a number of bales equal to 30 per centum of the estimated domestic consumption plus exports of such cotton for the marketing year beginning in the calendar year in which such quota is proclaimed.

(c) All provisions of this Act, except section 342, subsection (h), (k), and (l) of section 344, the parenthetical provisions relating to acreages regarded as having been planted to cotton, and the provisions relating to minimum small farm allotments, shall, insofar as applicable, apply to marketing quotas and acreage allotments authorized by this section: *Provided*, That the applicable penalty rate for such cotton under section 346 shall be the higher of 50 per centum of the parity price or 50 per centum of the support price for extra long staple cotton as of the date specified therein.

(d) Unless marketing quotas are in effect under subsection (b) of this section, the penalty provisions of section 346 shall not apply to any cotton the staple of which is one and one-half inches or more in length.

(e) The exemptions authorized by subsections (a) and (d) of this section shall not apply unless (1) the cotton is ginned on a roller-type gin or (2) the Secretary authorizes the cotton to be ginned on another type gin for experimental purposes or to prevent loss of the cotton due to frost or other adverse condition.

#### PART V—MARKETING QUOTAS—RICE

##### LEGISLATIVE FINDING

SEC. 351. (a) The marketing of rice constitutes one of the great basic industries of the United States with ramifying activities which directly affect interstate and foreign commerce at every point, and stable conditions therein are necessary to the general welfare. Rice produced for market is sold on a Nation-wide market, and, with its products, moves almost wholly in interstate and foreign commerce from the producer to the ultimate consumer. The farmers producing such commodity are subject in their operations to uncontrollable



natural causes, in many cases such farmers carry on their farming operations on borrowed money or leased lands, and are not so situated as to be able to organize effectively, as can labor and industry, through unions and corporations enjoying Government sanction and protection for joint economic action. For these reasons, among others, the farmers are unable without Federal assistance to control effectively the orderly marketing of such commodity with the result that abnormally excessive supplies thereof are produced and dumped indiscriminately on the Nation-wide market.

(b) The disorderly marketing of such abnormally excessive supplies affects, burdens, and obstructs interstate and foreign commerce by (1) materially affecting the volume of such commodity marketed therein, (2) disrupting the orderly marketing of such commodity therein, (3) reducing the prices for such commodity with consequent injury and destruction of such commerce in such commodity, and (4) causing a disparity between the prices for such commodity in interstate and foreign commerce and industrial products therein, with a consequent diminution of the volume of interstate and foreign commerce in industrial products.

(c) Whenever an abnormally excessive supply of rice exists, the marketing of such commodity by the producers thereof directly and substantially affects interstate and foreign commerce in such commodity and its products, and the operation of the provisions of this Part becomes necessary and appropriate in order to promote, foster, and maintain an orderly flow of such supply in interstate and foreign commerce.

#### NATIONAL ACREAGE ALLOTMENT

SEC. 352. The national acreage allotment of rice for any calendar year shall be that acreage which the Secretary determines will, on the basis of the national average yield of rice for the five calendar years immediately preceding the calendar year for which such national average yield is determined, produce an amount of rice adequate, together with the estimated carry-over from the marketing year ending in such calendar year, to make available a supply for the marketing year commencing in such calendar year not less than the normal supply: *Provided, however,* That for 1956 no national acreage allotment shall be established which is less than 85 per centum of the final allotment established for the immediately preceding year. Such national acreage allotment shall be proclaimed not later than December 31 of each year.

#### APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

SEC. 353. (a) The national acreage allotment of rice for each calendar year, less a reserve of not to exceed 1 per centum thereof for apportionment by the Secretary as provided in this subsection, shall be apportioned by the Secretary among the several States in which rice is produced in proportion to the average number of acres of rice in each State during the five-year period immediately preceding the calendar year for which such national acreage allotment of rice is determined (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs) with adjustments for trends in acreage during the applicable period. The

Secretary shall provide for the apportionment of the reserve acreage set aside pursuant to this subsection to farms receiving allotments which are inadequate because of an insufficient State or county acreage allotment or because rice was not planted on the farm during all of the preceding five years. Notwithstanding the foregoing provisions of this subsection, the reserve acreage set aside for the 1950 crop pursuant to this subsection shall not exceed one-half of 1 per centum and shall be in addition to the 1950 national acreage allotment as heretofore proclaimed by the Secretary and apportioned by him among the several rice-producing States and shall be available for apportionment to new farms without regard to the limitation contained in subsection (b) of this section.

(b) The State acreage allotment shall be apportioned to farms owned or operated by persons who have produced rice in the State in any one of the five calendar years immediately preceding the year for which such apportionment is made on the basis of past production of rice in the State by the producer on the farm taking into consideration the acreage allotments previously established in the State for such owners or operators; abnormal conditions affecting acreage; land, labor, and equipment available for the production of rice; crop rotation practices; and the soil and other physical factors affecting the production of rice: *Provided*, That if the State committee recommends such action and the Secretary determines that such action will facilitate the effective administration of the Act, he may provide for the apportionment of part or all of the State acreage allotment to farms on which rice has been produced during any one of such period of years on the basis of the foregoing factors, using past production of rice on the farm and the acreage allotments previously established for the farm in lieu of past production of rice by the producer and the acreage allotments previously established for such owners or operators: *Provided further*, That if the Secretary determines that part of the State acreage allotment shall be apportioned on the basis of past production of rice by the producer on the farm and part on the basis of the past production of rice on the farm, he shall divide the State into two administrative areas, to be designated "producer administrative area" and "farm administrative area", respectively, which areas shall be separated by a natural barrier which would prevent each area from being readily accessible to rice producers in one area for producing rice in the other area, and each such area shall be composed of whole counties. Not more than 3 per centum of the State acreage allotment shall be apportioned among farms operated by persons who will produce rice in the State during the calendar year for which the allotment is made but who have not produced rice in the State in any one of the past five years, on the basis of the applicable apportionment factors set forth herein: *Provided*, That in any State in which allotments are established for farms on the basis of past production of rice on the farm such percentage of the State acreage allotment shall be apportioned among the farms on which rice is to be planted during the calendar year for which the apportionment is made but on which rice was not planted during any of the past five years, on the basis of the applicable apportionment factors set forth herein. In determining the eligibility of any producer or farm for an allotment as an old producer or farm under the first sentence of



this subsection or as a new producer or farm under the second sentence of this subsection, such producer or farm shall not be considered to have produced rice on any acreage which under subsection (c) (2) is either not to be taken into account in establishing acreage allotments or is not to be credited to such producer. For purposes of this section in States which have been divided into administrative areas pursuant to this subsection the term "State acreage allotment" shall be deemed to mean that part of the State acreage allotment apportioned to each administrative area and the word "State" shall be deemed to mean "administrative area", wherever applicable.

(c) Notwithstanding any other provisions of this Act—

(1) If farm acreage allotments are established by using past production of rice on the farm and the acreage allotments previously established for the farm in lieu of past production of rice by the producer and the acreage allotments previously established for owners or operators, the State acreage allotment shall be apportioned among counties in the State on the same basis as the national acreage allotment is apportioned among the States and the county acreage allotments shall be apportioned to farms on the basis of the applicable factors set forth in subsection (b) of this section: *Provided*, That if the State is divided into administrative areas pursuant to subsection (b) of this section the allotment for each administrative area shall be determined by apportioning the State acreage allotment among counties as provided in this subsection and totaling the allotments for the counties in such area: *Provided*, That the State committee may reserve not to exceed 5 per centum of the State allotment, which shall be used to make adjustments in county allotments for trends in acreage and for abnormal conditions affecting plantings;

(2) Any acreage planted to rice in excess of the farm acreage allotment shall not be taken into account in establishing State, county, and farm acreage allotments.

In determining the past production of rice by producers on a farm for the purpose of establishing farm acreage allotments for the 1956 and subsequent crops, the acreage of rice on the farm for any year for which farm acreage allotments were in effect shall be divided among the producers thereon in the proportion in which they contributed to the farm acreage allotment.

(3) Each of the State acreage allotments for 1955 heretofore proclaimed by the Secretary shall be increased by 2 per centum or by such greater acreage as may be necessary to provide such State with an allotment equal to its 1950 allotment. In any State having county acreage allotments for 1955 (i) the increase in the State allotment shall be apportioned among counties in the State on the same basis as the State allotment was heretofore apportioned among the counties, but without regard to adjustments for trends in acreage, and (ii) the 1955 allotment for any county in which the 1950-1954 average planted plus diverted acreage of rice, adjusted for trends in acreage, exceeds the 1945-1949 average planted acreage of rice, similarly adjusted, by more than 2 per centum shall then be further increased by such additional acreage as may be necessary to provide such county with an allotment equal to its 1950 allotment. The increases in the



county acreage allotments and the increases in the State allotments, where county allotments are not determined, shall be used to establish farm acreage allotments which are fair and reasonable in relation to the applicable allotment factors specified in subsection (b) of this section and to correct inequities and prevent hardships.

(4) The reserve acreage made available for 1955 in any State for apportionment to farms operated by persons who have not produced rice during the preceding five years or on which rice has not been planted in the preceding five years shall not be less than five hundred acres; and the additional acreage necessary to provide such minimum reserve acreages shall be in addition to the National and State acreage allotments.

(5) Each of the State acreage allotments for 1956 heretofore proclaimed by the Secretary, after adding thereto any acreage apportioned to farms in the State from the reserve acreage set aside pursuant to subsection (a) of this section, shall be increased by such amount as may be necessary to provide such State with an allotment of not less than 85 per centum of its final allotment established for 1955. Any additional acreage required to provide such minimum allotment shall be additional to the national acreage allotment. In any State having county acreage allotments for 1956, the increase in the State allotment shall be apportioned among counties in the State on the same basis as the State allotment was heretofore apportioned among the counties, but without regard to adjustments for trends in acreage.

(6) The national acreage allotments of rice for 1957 and 1958 shall be not less than the national acreage allotment for 1956, including any acreage allotted under paragraph (5) of this subsection, and such national allotments for 1957 and 1958 shall be apportioned among the States in the same proportion that they shared in the total acreage allotted in 1956.

(7) *The national acreage allotments of rice for 1959, 1960, and 1961 shall be not less than the national acreage allotment for 1958, and such national allotments for 1959, 1960, and 1961 shall be apportioned among the States in the same proportion that they shared in the total acreage allotted in 1958.*

(d) The provisions of this part shall not apply to nonirrigated rice produced on any farm on which the acreage planted to nonirrigated rice does not exceed three acres or to rice produced outside the continental United States.

(e) Any part of the farm rice acreage allotment on which rice will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of the past production of rice by the producers on the farm or the past production of rice on the farm, as the case may be; acreage allotments previously established for the farm or for the producers on the farm, as the case may be; abnormal conditions affecting acreage; land, labor, water, and equipment available for the production of rice; crop-rotation practices; and the soil and other physical factors affecting the production of rice.

Any allotment surrendered under this provision shall be regarded for the purposes of subsection (b) of this section as having been planted on the farm from which surrendered, except that this shall not operate to make the farm from which the allotment was surrendered eligible for an allotment as having rice planted thereon, or to make any producer thereon eligible for an allotment as having produced rice, during the five-year base period.

(f) Notwithstanding any other provision of this section, the acreage allotment established, or which would have been established, for a farm or any part thereof which is removed from agricultural production because of acquisition in 1955 or thereafter by any Federal, State, or other agency having a right of eminent domain shall be placed in an allotment pool and shall be used only to establish allotments for other farms owned or acquired by the owner of the farm or any part thereof so acquired by such agency: *Provided*, That such owner must make application therefor within three years after the end of the calendar year in which such farm or any part thereof was removed from agricultural production: *Provided further*, That the allotment so made for any farm, including a farm on which rice has not been planted to any of the five crops of rice preceding the crop for which the allotment is made, after taking into consideration the allotment acreage which was placed in the pool from the farm or any part thereof acquired from the applicant, shall be comparable with the allotments established for other farms in the same area which are similar except for the past acreage of rice.

#### MARKETING QUOTAS

Sec. 354. (a) Whenever in any calendar year the Secretary determines that the total supply of rice for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 10 per centum, the Secretary shall not later than December 31 of such calendar year proclaim such fact and marketing quotas shall be in effect for the crop of rice produced in the next calendar year.

(b) Within thirty days after the date of the issuance of the proclamation specified in subsection (a) of this section, the Secretary shall conduct a referendum by secret ballot of farmers engaged in the production of the immediately preceding crop of rice to determine whether such farmers are in favor of or opposed to such quotas. If more than one-third of the farmers voting in the referendum oppose such quotas the Secretary shall, prior to the 15th day of February, proclaim the result of the referendum and such quotas shall become ineffective.

#### AMOUNT OF FARM MARKETING QUOTA

Sec. 355. The farm marketing quota for any crop of rice shall be the actual production of rice on the farm less the normal production of the acreage planted to rice on the farm in excess of the farm acreage allotment. The normal production from such excess acreage shall be known as the "farm marketing excess": *Provided*, That the farm marketing excess shall not be larger than the amount by which the actual production of rice on the farm exceeds the normal production



of the farm acreage allotment if the producer establishes such actual production to the satisfaction of the Secretary.

#### PENALTIES AND STORAGE

Sec. 356 (a) Whenever farm marketing quotas are in effect with respect to any crop of rice, the producer shall be subject to a penalty on the farm marketing excess at a rate per pound equal to 50 per centum of the parity price per pound for rice as of June 15 of the calendar year in which such crop is produced. Effective beginning with the 1958 crop, the rate of penalty on rice shall be 65 per centum of the parity price per pound for rice as of June 15 of the calendar year in which the crop is produced.

(b) The farm marketing excess of rice shall be regarded as available for marketing and the amount of penalty shall be computed upon the normal production of the acreage on the farm planted to rice in excess of the farm acreage allotment. If a downward adjustment in the amount of the farm marketing excess is made pursuant to the proviso in section 355, the difference between the amount of the penalty computed upon the farm marketing excess before such adjustment and as computed upon the adjusted marketing excess shall be returned to or allowed the producer.

(c) The person liable for payment or collection of the penalty shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

(d) Until the penalty on the farm marketing excess is paid, postponed, or avoided, as provided herein, all rice produced on the farm and marketed by the producer shall be subject to the penalty provided by this section and a lien on the entire crop of rice produced on the farm shall be in effect in favor of the United States.

(e) The penalty on the farm marketing excess on any crop of rice may be avoided or postponed by storage or by disposing of the commodity in such other manner, not inconsistent with the purposes of this Act, as the Secretary shall prescribe, including, in the discretion of the Secretary, delivery to Commodity Credit Corporation or any other agency within the Department. The Secretary shall issue regulations governing such storage or other disposition. Unless otherwise specified by the Secretary in such regulations, any quantity of rice so stored or otherwise disposed of shall be of those types and grades which are representative of the entire quantity of rice produced on the farm. Upon failure so to store or otherwise dispose of the farm marketing excess of rice within such time as may be determined under regulations prescribed by the Secretary, the penalty on such excess shall become due and payable. Any rice delivered to any agency of the Department pursuant to this subsection shall become the property of the agency to which delivered and shall be disposed of at the direction of the Secretary in a manner not inconsistent with the purposes of this Act.

(f) Subject to the provisions of subsection (g) of this section, the penalty upon the farm marketing excess stored pursuant to this section shall be paid by the producer at the time and to the extent of any depletion in the amount so stored except depletion resulting from some



cause beyond the control of the producer or from substitution of the commodity authorized by the Secretary.

(g) (1) If the planted acreage of the then current crop of rice for any farm is less than the farm acreage allotment, the amount of the commodity from any previous crop of rice stored to postpone or avoid payment of the penalty shall be reduced by an amount equal to the normal production of the number of acres by which the farm acreage allotment exceeds the acreage planted to rice.

(2) If the actual production of the acreage of rice on any farm on which the acreage of rice is within the farm acreage allotment is less than the normal production of the farm acreage allotment, the amount of rice from any previous crop stored to postpone or avoid payment of the penalty shall be reduced by an amount which, together with the actual production of the then current crop will equal the normal production of the farm acreage allotment: *Provided*, That the reduction under this paragraph shall not exceed the amount by which the normal production of the farm acreage allotment less any reduction made under paragraph (1) of this subsection is in excess of the actual production of the acreage planted to rice on the farm.

(h) Whenever, in any marketing year, marketing quotas are not in effect with respect to the crop of rice produced in the calendar year in which such marketing year begins, all marketing quotas applicable to previous crops of rice shall be terminated, effective as of the first day of such marketing year. Such termination shall not abate any penalty previously incurred by a producer or relieve any buyer of the duty to remit penalties previously collected by him.

#### PART VI—MARKETING QUOTAS—PEANUTS

##### LEGISLATIVE FINDINGS

SEC. 357. The production, marketing, and processing of peanuts and peanut products employs a large number of persons and is of national interest. The movement of peanuts from producer to consumer is preponderantly in interstate and foreign commerce, and, owing to causes beyond their control, the farmers producing such commodity and the persons engaged in the marketing and processing thereof are unable to regulate effectively the orderly marketing of the commodity. As the quantity of peanuts marketed in the channels of interstate and foreign commerce increases above the quantity of peanuts needed for cleaning and shelling, the prices at which all peanuts are marketed are depressed to low levels. These low prices tend to cause the quantity of peanuts available for marketing in later years to be less than normal, which in turn tends to cause relatively high prices. This fluctuation of prices and marketings of peanuts creates an unstable and chaotic condition in the marketing of peanuts for cleaning and shelling and for crushing for oil in the channels of interstate and foreign commerce. Since these unstable and chaotic conditions have existed for a period of years and are likely, without proper regulation, to continue to exist, it is imperative that the marketing of peanuts for cleaning and shelling and for crushing for oil in interstate and foreign commerce be regulated in order to protect producers, handlers, processors, and consumers.

## MARKETING QUOTAS

SEC. 358. (a) Between July 1 and December 1 of each calendar year the Secretary shall proclaim the amount of the national marketing quota for peanuts for the crop produced in the next succeeding calendar year in terms of the total quantity of peanuts which will make available for marketing a supply of peanuts from the crop with respect to which the quota is proclaimed equal to the average quantity of peanuts harvested for nuts during the five years immediately preceding the year in which such quota is proclaimed, adjusted for current trends and prospective demand conditions, and the quota so proclaimed shall be in effect with respect to such crop. The national marketing quota for peanuts for any year shall be converted to a national acreage allotment by dividing such quota by the normal yield per acre of peanuts for the United States determined by the Secretary on the basis of the average yield per acre of peanuts in the five years preceding the year in which the quota is proclaimed, with such adjustments as may be found necessary to correct for trends in yields and for abnormal conditions of production affecting yields in such five years: *Provided*, That the national marketing quota established for the crop produced in the calendar year 1941 shall be a quantity of peanuts sufficient to provide a national acreage allotment of not less than one million six hundred and ten thousand acres, and that the national marketing quota established for any subsequent year shall be a quantity of peanuts sufficient to provide a national acreage allotment of not less than that established for the crop produced in the calendar year 1941.

(b) Not later than December 15 of each calendar year the Secretary shall conduct a referendum of farmers engaged in the production of peanuts in the calendar year in which the referendum is held to determine whether such farmers are in favor of or opposed to marketing quotas with respect to the crops of peanuts produced in the three calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the farmers voting in any referendum vote in favor of marketing quotas, no referendum shall be held with respect to quotas for the second and third years of the period. The Secretary shall proclaim the results of the referendum within thirty days after the date on which it is held, and, if more than one-third of the farmers voting in the referendum vote against marketing quotas, the Secretary also shall proclaim that marketing quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

(c) (1) The national acreage allotment for 1951, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of the larger of the following for each State: (a) The acreage allotted to the State as its share of the 1950 national acreage allotment of two million one hundred thousand acres, or (b) the State's share of two million one hundred thousand acres apportioned to States on the basis of the average acreage harvested for nuts in each State in the five years 1945-49: *Provided*, That any allotment so determined for any State which is less than the 1951 State allotment announced by the Secretary



prior to the enactment of this Act shall be increased to such announced allotment and the acreage required for such increases shall be in addition to the 1951 national acreage allotment and shall be considered in determining State acreage allotments in future years. For any year subsequent to 1951, the national acreage allotment for that year, less the acreage to be allotted to new farms under subsection (f) of this section, shall be apportioned among the States on the basis of their share of the national acreage allotment for the most recent year in which such apportionment was made.

(2) Notwithstanding any other provision of law, if the Secretary of Agriculture determines, on the basis of the average yield per acre of peanuts by types during the preceding five years, adjusted for trends in yields and abnormal conditions of production affecting yields in such five years, that the supply of any type or types of peanuts for any marketing year, beginning with the 1951-52 marketing year, will be insufficient to meet the estimated demand for cleaning and shelling purposes at prices at which the Commodity Credit Corporation may sell for such purposes peanuts owned or controlled by it, the State allotments for those States producing such type or types of peanuts shall be increased to the extent determined by the Secretary to be required to meet such demand but the allotment for any State may not be increased under this provision above the 1947 harvested acreage of peanuts for such State. The total increase so determined shall be apportioned among such States for distribution among farms producing peanuts of such type or types on the basis of the average acreage of peanuts of such type or types in the three years immediately preceding the year for which the allotments are being determined. The additional acreage so required shall be in addition to the national acreage allotment, the production from such acreage shall be in addition to the national marketing quota, and the increase in acreage allotted under this provision shall not be considered in establishing future State, county, or farm acreage allotments.

(d) The Secretary shall provide for apportionment of the State acreage allotment for any State through local committees among farms on which peanuts were grown in any of the three years immediately preceding the year for which such allotment is determined. The State acreage allotment for 1952 and any subsequent year shall be apportioned among farms on which peanuts were produced in any one of the 3 calendar years immediately preceding the year for which such apportionment is made, on the basis of the following: Past acreage of peanuts, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts. Any acreage of peanuts harvested in excess of the allotted acreage for any farm for any year shall not be considered in the establishment of the allotment for the farm in succeeding years. The amount of the marketing quota for each farm shall be the actual production of the farm acreage allotment, and no peanuts shall be marketed under the quota for any farm other than peanuts actually produced on the farm.

(e) Notwithstanding the foregoing provisions of this section, the Secretary may, if the State committee recommends such action and



the Secretary determines that such action will facilitate the effective administration of the provisions of the Act, provide for the apportionment of the State acreage allotment for 1952 and any subsequent year among the counties in the State on the basis of the past acreage of peanuts harvested for nuts (excluding acreage in excess of farm allotments) in the county during the five years immediately preceding the year in which such apportionment is made, with such adjustments as are deemed necessary for abnormal conditions affecting acreage, for trends in acreage, and for additional allotments for types of peanuts in short supply under the provisions of subsection (c). The county acreage allotment shall be apportioned among farms on the basis of the factors set forth in subsection (d) of this section.

(f) Not more than one per centum of the national acreage allotment shall be apportioned among farms on which peanuts are to be produced during the calendar year for which the allotment is made but on which peanuts were not produced during any one of the past three years, on the basis of the following: Past peanut-producing experience by the producers; land, labor, and equipment available for the production of peanuts; crop-rotation practices; and soil and other physical factors affecting the production of peanuts.

(g) Any part of the acreage allotted to individual farms under the provisions of this section on which peanuts will not be produced and which is voluntarily surrendered to the county committee shall be deducted from the allotments to such farms and may be reapportioned by the county committee to other farms in the same county receiving allotments, in amounts determined by the county committee to be fair and reasonable on the basis of land, labor, and equipment available for the production of peanuts, crop-rotation practices, and soil and other physical factors affecting the production of peanuts. Any transfer of allotments under this provision shall not operate to reduce the allotment for any subsequent year for the farm from which acreage is transferred, except as the farm becomes ineligible for an allotment by failure to produce peanuts during a three-year period, and any such transfer shall not operate to increase the allotment for any subsequent year for the farm to which the acreage is transferred: *Provided*, That, notwithstanding any other provisions of this Act, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein.

(h) Notwithstanding any other provision of this section, the allotment determined or which would have been determined for any land which is removed from agricultural production in 1950 or any subsequent year for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a pool and shall be available for use in providing equitable allotments for farms owned or acquired by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within five years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or acquired by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: *Provided*, That such allotment shall not exceed 50 per centum of the acreage of cropland on the farm.

The provisions of this section shall not be applicable if (a) there is any marketing quota penalty due with respect to the marketing of peanuts from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (b) any peanuts produced on such farm have not been accounted for as required by the Secretary; or (c) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of peanuts produced on or marketed from such farm.

#### MARKETING PENALTIES

SEC. 359. (a) The marketing of any peanuts in excess of the marketing quota for the farm on which such peanuts are produced, or the marketing of peanuts from any farm for which no acreage allotment was determined, shall be subject to a penalty at a rate equal to 75 per centum of the support price for peanuts for the marketing year (August 1–July 31.) Such penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer, or if the peanuts are marketed by the producer through an agent, the penalty shall be paid by such agent, and such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer. The Secretary may require collection of the penalty upon a portion of each lot of peanuts marketed from the farm equal to the proportion which the acreage of peanuts in excess of the farm-acreage allotment is of the total acreage of peanuts on the farm. If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty. All funds collected pursuant to this section shall be deposited in a special deposit account with the Treasurer of the United States and such amounts as are determined, in accordance with regulations prescribed by the Secretary, to be penalties incurred shall be transferred to the general fund of the Treasury of the United States. Amounts collected in excess of determined penalties shall be paid to such producers as the Secretary determines, in accordance with regulations prescribed by him, bore the burden of the payment of the amount collected. Such special account shall be administered by the Secretary and the basis for, the amount of, and the producer entitled to receive a payment from such account, when determined in accordance with regulations prescribed by the Secretary, shall be final and conclusive. Peanuts produced in a calendar year in which marketing quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though the peanuts are marketed prior to the date on which such marketing year begins. If any producer falsely identifies or fails to account for the disposition of any peanuts, an amount of peanuts equal to the normal yield of the number of acres harvested in excess of the farm acreage allotment shall be deemed to have been marketed in excess of the marketing quota for the farm, and the penalty in respect thereof shall be paid and remitted by the producer. If any amount of peanuts produced on one farm is falsely identified by a representation that such peanuts were produced on another farm, the acreage allotments next established for both such farms shall be reduced by that percent-



age which such amount was of the respective farm marketing quotas, except that such reduction for any such farm shall not be made if the Secretary through the local committees finds that no person connected with such farm caused, aided, or acquiesced in such marketing; and if proof of the disposition of any amount of peanuts is not furnished as required by the Secretary, the acreage allotment next established for the farm on which such peanuts are produced shall be reduced by a percentage similarly computed. Notwithstanding any other provisions of this title, no refund of any penalty shall be made because of peanuts kept on the farm for seed or for home consumption.

(b) The provisions of this part shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less.

(c) The word "peanuts" for the purposes of this Act shall mean all peanuts produced, excluding any peanuts which it is established by the producer or otherwise, in accordance with regulations of the Secretary, were not picked or threshed either before or after marketing from the farm, or were marketed by the producer before drying or removal of moisture from such peanuts either by natural or artificial means for consumption exclusively as boiled peanuts.

(d) The person liable for payment or collection of the penalty provided by this section shall be liable also for interest thereon at the rate of 6 per centum per annum from the date the penalty becomes due until the date of payment of such penalty.

(e) Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to marketing quotas in which the person liable for payment of the penalty has an interest shall be in effect in favor of the United States.

## SUBTITLE C—ADMINISTRATIVE PROVISIONS

### PART I—PUBLICATION AND REVIEW OF QUOTAS

#### APPLICATION OF PART

SEC. 361. This part shall apply to the publication and review of farm marketing quotas established for tobacco, [corn] *feed grains*, wheat, cotton, peanuts, and rice, established under subtitle B.

#### PUBLICATION AND NOTICE OF QUOTA

SEC. 362. All acreage allotments, and the farm marketing quotas established for farms in a county or other local administrative area shall, in accordance with regulations of the Secretary, be made and kept freely available for public inspection in such county or other local administrative area. An additional copy of this information shall be kept available in the office of the county agricultural extension agent or with the chairman of the local committee. Notice of the farm marketing quota of his farm shall be mailed to the farmer. Notice of the farm acreage allotment established for each farm shown by the records of the county committee to be entitled to such allotment shall insofar as practicable be mailed to the farm operator in sufficient time to be received prior to the date of the referendum.



## REVIEW BY REVIEW COMMITTEE

SEC. 363. Any farmer who is dissatisfied with his farm marketing quota may, within fifteen days after mailing to him of notice as provided in section 362, have such quota reviewed by a local review committee composed of three farmers from the same or nearby counties appointed by the Secretary. Such committee shall not include any member of the local committee which determined the farm acreage allotment, the normal yield, or the farm marketing quota for such farm. Unless application for review is made within such period, the original determination of the farm marketing quota shall be final.

## REVIEW COMMITTEE

SEC. 364. The members of the review committee shall receive as compensation for their services the same per diem as that received by the members of the committee utilized for the purposes of the Soil Conservation and Domestic Allotment Act, as amended. The members of the review committee shall not be entitled to receive compensation for more than thirty days in any one year.

## INSTITUTION OF PROCEEDINGS

SEC. 365. If the farmer is dissatisfied with the determination of the review committee, he may, within fifteen days after a notice of such determination is mailed to him by registered mail, file a bill in equity against the review committee as defendant in the United States district court, or institute proceedings for review in any court of record of the State having general jurisdiction, sitting in the county or the district in which his farm is located, for the purpose of obtaining a review of such determination. Bond shall be given in an amount and with surety satisfactory to the court to secure the United States for the costs of the proceeding. The bill of complaint in such proceeding may be served by delivering a copy thereof to any one of the members of the review committee. Thereupon the review committee shall certify and file in the court a transcript of the record upon which the determination complained of was made, together with its findings of fact.

## COURT REVIEW

SEC. 366. The review by the court shall be limited to questions of law, and the findings of fact by the review committee, if supported by evidence, shall be conclusive. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the hearing before the review committee, the court may direct such additional evidence to be taken before the review committee in such manner and upon such terms and conditions as to the court may seem proper. The review committee may modify its findings of fact or its determination by reason of the additional evidence so taken, and it shall file with the court such modified findings or determination, which findings of fact shall be conclusive. At the earliest convenient time, the court, in term time or vacation, shall hear and determine the case

upon the original record of the hearing before the review committee, and upon such record as supplemented, if supplemented, by further hearing before the review committee pursuant to direction of the court. The court shall affirm the review committee's determination, or modified determination, if the court determines that the same is in accordance with law. If the court determines that such determination or modified determination is not in accordance with law, the court shall remand the proceeding to the review committee with direction either to make such determination as the court shall determine to be in accordance with law or to take such further proceedings as, in the court's opinion, the law requires.

#### STAY OF PROCEEDINGS AND EXCLUSIVE JURISDICTION

SEC. 367. The commencement of judicial proceedings under this Part shall not, unless specifically ordered by the court, operate as a stay of the review committee's determination. Notwithstanding any other provision of law, the jurisdiction conferred by this Part to review the legal validity of a determination made by a review committee pursuant to this Part shall be exclusive. No court of the United States or of any State shall have jurisdiction to pass upon the legal validity of any such determination except in a proceeding under this Part.

#### NO EFFECT ON OTHER QUOTAS

SEC. 368. Notwithstanding any increase of any farm marketing quota for any farm as a result of review of the determination thereof under this Part, the marketing quotas for other farms shall not be affected.

### PART II—ADJUSTMENT OF QUOTAS AND ENFORCEMENT

#### GENERAL ADJUSTMENTS OF QUOTAS

SEC. 371. (a) If at any time the Secretary has reason to believe that in the case of [corn,] *feed grains*, wheat, cotton, rice, peanuts, or tobacco the operation of farm marketing quotas in effect will cause the amount of such commodity which is free of marketing restrictions to be less than the normal supply for the marketing year for the commodity then current, he shall cause an immediate investigation to be made with respect thereto. In the course of such investigation due notice and opportunity for hearing shall be given to interested persons. If upon the basis of such investigation the Secretary finds the existence of such fact, he shall proclaim the same forthwith. He shall also in such proclamation specify such increase in, or termination of, existing quotas as he finds, on the basis of such investigation, is necessary to make the amount of such commodity which is free of marketing restrictions equal the normal supply.

(b) If the Secretary has reason to believe that, because of a national emergency or because of a material increase in export demand, any national acreage allotment for [corn] *feed grains* or any national marketing quota or acreage allotment for wheat, cotton, rice, peanuts, or tobacco should be increased or terminated, he shall cause an im-



mediate investigation to be made to determine whether the increase or termination is necessary in order to effect the declared policy of this Act, or to meet such emergency or increase in export demand. If, on the basis of such investigation, the Secretary finds that such increase or termination is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quota or allotment shall be increased, or shall terminate, as the case may be.

(c) In case any national marketing quota or acreage allotment for any commodity is increased under this section, each farm marketing quota or acreage allotment for the commodity shall be increased in the same ratio.

(d) (Repealed by 68 Stat. 905.)

#### PAYMENT AND COLLECTION OF PENALTIES

SEC. 372. (a) The penalty with respect to the marketing, by sale, of wheat, cotton, *feed grains*, or rice, if the sale is to any person within the United States, shall be collected by the buyer.

(b) All penalties provided for in Subtitle B shall be collected and paid in such manner, at such times, and under such conditions as the Secretary may by regulations prescribe. Such penalties shall be remitted to the Secretary by the person liable for the penalty, except that if any other person is liable for the collection of the penalty, such other person shall remit the penalty. The amount of such penalties shall be covered into the general fund of the Treasury of the United States.

(c) Whenever, pursuant to a claim filed with the Secretary within two years after payment to him of any penalty collected from any person pursuant to this Act, the Secretary finds that such penalty was erroneously, illegally, or wrongfully collected and that the claimant bore the burden of the payment of such penalty, the Secretary shall certify to the Secretary of the Treasury for payment to the claimant, in accordance with regulations prescribed by the Secretary of the Treasury, such amount as the Secretary finds the claimant is entitled to receive, as a refund of such penalty.

Notwithstanding any other provision of law, the Secretary is authorized to prescribe by regulations for the identification of farms and it shall be sufficient to schedule receipts into special deposit accounts or to schedule such receipts for transfer therefrom, or directly, into the separate fund provided for in subsection (b) hereof by means of such identification without reference to the names of the producers on such farms.

The Secretary is authorized to prescribe regulations governing the filing of such claims and the determination of such refunds.

(d) No penalty shall be collected under this Act with respect to the marketing of any agricultural commodity grown for experimental purposes only by any publicly owned agricultural experiment station.

#### REPORTS AND RECORDS

SEC. 373. (a) This subsection shall apply to warehousemen, processors, and common carriers of [corn,] *feed grains*, wheat, cotton, rice, peanuts, or tobacco, and all ginneries of cotton, all persons engaged in



the business of purchasing [corn,] *feed grains*, wheat, cotton, rice, peanuts, or tobacco from producers, all persons engaged in the business of redrying, prizing, or stemming tobacco for producers, all brokers and dealers in peanuts, all agents marketing peanuts for producers, or acquiring peanuts for buyers and dealers, and all peanut growers' cooperative associations, all persons engaged in the business of cleaning, shelling, crushing, and salting of peanuts and the manufacture of peanut products, and all persons owning or operating peanut-picking or peanut-threshing machines. Any such person shall, from time to time on request of the Secretary, report to the Secretary such information and keep such records as the Secretary finds to be necessary to enable him to carry out the provisions of this title. Such information shall be reported and such records shall be kept in accordance with forms which the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents and memoranda as he has reason to believe are relevant and are within the control of such persons. Any such person failing to make any report or keep any record as required by this subsection or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$500; and any tobacco warehouseman or dealer who fails to remedy such violation by making a complete and accurate report or keeping a complete and accurate record as required by this subsection within fifteen days after notice to him of such violation shall be subject to an additional fine of \$100 for each ten thousand pounds of tobacco, or fraction thereof, bought or sold by him after the date of such violation: *Provided*, That such fine shall not exceed \$5,000; and notice of such violation shall be served upon the tobacco warehouseman or dealer by mailing the same to him by registered mail or by posting the same at any established place of business operated by him, or both.

(b) Farmers engaged in the production of [corn,] *feed grains*, wheat, cotton, rice, peanuts, or tobacco for market shall furnish such proof of their acreage, yield, storage, and marketing of the commodity in the form of records, marketing cards, reports, storage under seal, or otherwise as the Secretary may prescribe as necessary for the administration of this title.

(c) All data reported to or acquired by the Secretary pursuant to this section shall be kept confidential by all officers and employees of the Department, and only such data so reported or acquired as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing under this title.

#### MEASUREMENT OF FARMS AND REPORT OF PLANTINGS

SEC. 374. (a) The Secretary shall provide, through the county and local committees, for measuring farms on which [corn,] *feed grains*, wheat, cotton, peanuts or rice is produced and for ascertaining whether the acreage planted for any year to any such commodity is in excess of the farm acreage allotment for such commodity for

the farm under this title. If in the case of any farm the acreage planted to any such commodity on the farm is in excess of the farm acreage allotment for such commodity for the farm, the committee shall file with the State committee a written report stating the total acreage on the farm in cultivation and the acreage planted to such commodity.

(b) With respect to cotton, the Secretary, upon such terms and conditions as he may by regulation prescribe, shall provide, through the county and local committees for the measurement prior to planting of an acreage on the farm equal to the farm acreage allotment if so requested by the farm operator, and any farm on which the acreage planted to cotton does not exceed such measured acreage shall be deemed to be in compliance with the farm acreage allotment. The Secretary shall similarly provide for the remeasurement upon request by the farm operator of the acreage planted to cotton on the farm, but the operator shall be required to reimburse the local committee for the expense of such remeasurement if the planted acreage is found to be in excess of the allotted acreage.

(c) If the acreage determined to be planted to any basic agricultural commodity or *feed grains* on the farm is in excess of the farm acreage allotment, the Secretary shall by appropriate regulations provide for a reasonable time prior to harvest within which such planted acreage may be adjusted to the farm acreage allotment.

#### REGULATIONS

SEC. 375. (a) The Secretary shall provide by regulations for the identification, wherever necessary, of [corn,] *feed grains*, wheat, cotton, rice, peanuts, or tobacco so as to afford aid in discovering and identifying such amounts of the commodities as are subject to and such amounts thereof as are not subject to marketing restrictions in effect under this title.

(b) The Secretary shall prescribe such regulations as are necessary for the enforcement of this title.

#### COURT JURISDICTION

SEC. 376. The several district courts of the United States are hereby vested with jurisdiction specifically to enforce the provisions of this title. If and when the Secretary shall so request, it shall be the duty of the several district attorneys in their respective districts, under the direction of the Attorney General, to institute proceedings to collect the penalties provided in this title. The remedies and penalties provided for herein shall be in addition to, and not exclusive of, any of the remedies or penalties under existing law.

SEC. 377. In any case in which, during any year within the period 1956 to 1959, inclusive, for which acreage planted to a commodity on any farm is less than the acreage allotment for such farm, the entire acreage allotment for such farm (excluding any allotment released from the farm or reapportioned to the farm) shall be considered for purposes of future State, county, and farm acreage allotments to have been planted to such commodity in such year on such farm, but the 1956 acreage allotment of any commodity shall be regarded as planted under this section only if the owner or operator of such farm notified



the county committee prior to the sixtieth day preceding the beginning of the marketing year for such commodity of his desire to preserve such allotment. Acreage history credits for released or reapportioned acreage shall be governed by the applicable provisions of this title pertaining to the release and reapportionment of acreage allotments. This section shall not be applicable in any case in which the amount of the commodity required to be stored to postpone or avoid payment of penalty has been reduced because the allotment was not fully planted.

*Sec. 378. (a) Notwithstanding any other provision of this Act, the allotment determined for any commodity for any land from which the owner is displaced because of acquisition of the land for any purpose by any Federal, State, or other agency having the right of eminent domain shall be placed in an allotment pool and shall be available only for use in providing allotments for other farms owned by the owner so displaced. Upon application to the county committee, within three years after the date of such displacement, or three years after the enactment of this Act, whichever period is longer, any owner so displaced shall be entitled to have established for other farms owned by him allotments which are comparable with allotments determined for other farms in the same area which are similar except for the past acreage of the commodity, taking into consideration the land, labor, and equipment available for the production of the commodity, crop-rotation practices, and the soil and other physical factors affecting the production of the commodity: Provided, That the acreage used to establish or increase the allotments for such farms shall be transferred from the pool and shall not exceed the allotment most recently established for the farm acquired from the applicant and placed in the pool. During the period of eligibility for the making of allotments under this section for a displaced owner, acreage allotments for the farm from which the owner was so displaced shall be established in accordance with the procedure applicable to other farms, and such allotments shall be considered to have been fully planted. After such allotment is made under this section, the proportionate part, or all, as the case may be, of the past acreage used in establishing the allotment most recently placed in the pool for the farm from which the owner was so displaced shall be transferred to and considered for the purposes of future State, county, and farm acreage allotments to have been planted on the farm to which allotment is made under this section. Except where paragraph (c) requires the transfer of allotment to another portion of the same farm, for the purpose of this section (1) that part of any farm from which the owner is so displaced and that part from which he is not so displaced shall be considered as separate farms; and (2) an owner who voluntarily relinquishes possession of the land subsequent to its acquisition by an agency having the right of eminent domain shall be considered as having been displaced because of such acquisition.*

*(b) The provisions of this section shall not be applicable if (1) there is any marketing quota penalty due with respect to the marketing of the commodity from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (2) any of the commodity produced on such farm has not been accounted for as required by the Secretary; or (3) the allotment next established for the farm*



acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of the commodity produced on or marketed from such farm or due to a false acreage report.

(c) This section shall not be applicable, in the case of cotton, tobacco, and peanuts, to any farm from which the owner was displaced prior to 1950, in the case of wheat and corn, to any farm from which the owner was displaced prior to 1954, and in the case of rice, to any farm from which the owner was displaced prior to 1955. In any case where the cropland acquired for nonfarming purposes from an owner by an agency having the right of eminent domain represents less than 15 per centum of the total cropland on the farm, the allotment attributable to that portion of the farm so acquired shall be transferred to that portion of the farm not so acquired.

(d) Sections 313 (h), 334 (d), 344 (h), and 358 (h) of the Agricultural Adjustment Act of 1938, as amended, are repealed, but any transfer or reassignment of allotment heretofore made under the provisions of these sections shall remain in effect, and any displaced farm owner for whom an allotment has been established under such repealed sections shall not be eligible for additional allotment under subsection (a) of this section because of such displacement.

#### SUBTITLE D—DOMESTIC PARITY PLAN FOR WHEAT

##### LEGISLATIVE FINDINGS

SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is essential to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. That small percentage of wheat which is produced and consumed within the confines of any State is normally commingled with, and always bears a close and intimate commercial and competitive relationship to, that quantity of such commodity which moves in interstate and foreign commerce. For this reason, any regulation of intrastate commerce in wheat is a regulation of commerce which is in competition with, or which otherwise affects, obstructs, or burdens interstate commerce in that commodity. In order to provide an adequate and balanced flow of wheat in interstate and foreign commerce and thereby assist farmers in obtaining parity of income by marketing wheat for domestic consumption at parity prices and by increased exports at world prices, and to assure consumers an adequate and steady supply of wheat at fair prices, it is necessary to regulate all commerce in wheat in the manner provided under the marketing certificate plan set forth in this subtitle.

##### DOMESTIC FOOD QUOTA

SEC. 379b. Not later than May 15 of each calendar year the Secretary shall determine and proclaim the domestic food quota for wheat for the marketing year beginning in the next calendar year. Such domestic food quota shall be that number of bushels of wheat which the

*Secretary determines will be consumed as human food in the continental United States during such marketing year.*

#### APPORTIONMENT OF DOMESTIC FOOD QUOTA

*SEC. 379c. (a) The domestic food quota for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States on the basis of the State acreage allotment of wheat for the year for which the domestic food quota is determined multiplied by the average yield per acre of wheat for the State during such ten-year period, adjusted for abnormal weather conditions and for trends in yields. The reserve quota set aside herein for apportionment by the Secretary shall be used to establish quotas for counties, in addition to the county quotas established under subsection (b) of this section, on the basis of the relative needs of counties for additional quota because of reclamation and other new areas coming into the production of wheat during the five calendar years immediately preceding the calendar year in which the quota is proclaimed.*

*(b) The State domestic food quota for wheat, less a reserve of not to exceed 3 per centum thereof for apportionment as provided in subsection (c), shall be apportioned by the Secretary among the counties in the State on the basis of the county acreage allotment of wheat for the year for which such State quota is determined multiplied by the normal yield of wheat for the county for such year.*

*(c) The county domestic food quota for wheat shall be apportioned by the Secretary, through the local committees, among the farms within the county on which wheat has been seeded for the production of wheat during any one or more of the three calendar years immediately preceding the calendar year in which the marketing year for which the quota is proclaimed begins, on the basis of the farm acreage allotment for the year for which the quota is proclaimed multiplied by the farm normal yield of wheat for such year. The reserve provided under subsection (b) shall be apportioned to farms for which new wheat acreage allotments are determined under the second sentence of section 334 (c) of this Act, as amended, on the basis of the farm acreage allotment for such year multiplied by the farm normal yield of wheat for such year.*

#### MARKETING CERTIFICATES

*SEC. 379d. (a) Beginning with the first crop of wheat for which a marketing certificate program is placed in effect under section 379j, the Secretary shall prepare for issuance in each county marketing certificates aggregating the amount of the county domestic food quota. Such certificates shall be issued to cooperators in an amount equal to the domestic food quota established for the farm pursuant to the applicable provisions of section 379c of this Act. The marketing certificates for a farm shall be issued to the farm operator, but the Secretary may authorize the issuance of marketing certificates to individual producers on any farm on the basis of their respective shares in the wheat crop, or the proceeds thereof, produced on the farm. The Secretary shall also issue and sell marketing certificates to processors and importers in such quantities as are required by them in order to meet the requirements of subsections (a) and (b) of section 379e. Mar-*



keting certificates shall be transferable only in accordance with regulations issued by the Secretary.

(b) Whenever a domestic food quota is proclaimed for any marketing year pursuant to section 379b of this Act, the Secretary shall determine and proclaim for such marketing year (1) the estimated parity price, (2) the estimated farm price for wheat, and (3) the value per bushel of the marketing certificate. The value of the marketing certificate shall be equal to the amount by which the estimated parity price exceeds the estimated farm price as determined herein. The value of each marketing certificate shall be computed to the nearest cent by multiplying the value per bushel by the number of bushels thereof. Except as otherwise provided herein, the value of the certificate so determined shall remain constant and shall remain in effect throughout the marketing year for which it is issued. The proclamation required by this subsection shall be made during the month of May immediately preceding the marketing year for which such domestic food quota is proclaimed.

(c) The Secretary is authorized and directed through the Commodity Credit Corporation to buy and sell marketing certificates issued for any marketing year at the value proclaimed pursuant to subsection (b) of this section. For the purpose of facilitating the purchase and sale of certificates, the Secretary may establish and operate a pool or pools and he may also authorize public and private agencies to act as his agents, either directly or through the pool or pools. Certificates shall be valid to cover sales and importations of products made during the marketing year with respect to which they are issued and after being once used to cover such sales and importations shall be canceled by the Secretary. Any unused certificates shall be redeemed by the Secretary at the price established for such certificates.

#### MARKETING RESTRICTIONS

SEC. 379e. (a) Beginning with the first day of the marketing year in which the first crop of wheat for which a marketing certificate program is placed in effect under section 379j would normally be marketed, and except as provided in subsection (d) hereof, all persons engaged in the processing of wheat into food products composed wholly or partly of wheat are hereby prohibited from marketing any such product for domestic food consumption or export containing wheat in excess of the quantity for which marketing certificates issued pursuant to section 379d of this Act have been acquired by such person. The quantity of such marketing certificates acquired shall be equivalent to the number of bushels of wheat processed into food products.

(b) Beginning with the first day of the marketing year in which the first crop of wheat for which a marketing certificate program is placed in effect under section 379j would normally be marketed and except as provided in subsection (d) hereof, all persons are hereby prohibited from importing or bringing into the continental United States any food products containing wheat in excess of the quantity for which marketing certificates issued pursuant to section 379d of this Act have been acquired by such person.



(c) Upon the exportation from the continental United States of any food product containing wheat, with respect to which marketing certificates as required herein have been acquired, the Secretary shall pay to the exporter an amount equal to the value of the certificates for the quantity of wheat so exported in the food product. For the purposes of this subsection, the consignor named in the bill of lading, under which the article is exported, shall be considered the exporter: Provided, however, That any other person may be considered to be the exporter if the consignor named in the bill of lading waives claim in favor of such other person.

(d) Upon the giving of a bond satisfactory to the Secretary under such rules and regulations as he shall prescribe to secure the purchase of and payment for such marketing certificates as may be required, any person required to have a marketing certificate in order to market or import a food product composed wholly or partly of wheat may market or import any such commodity without having first acquired a marketing certificate.

(e) As used in this section, (1) the term "marketing" means the sale and the delivery of the food product composed wholly or partly of wheat, and (2) the term "food" means human food.

#### CONVERSION FACTORS

SEC. 379f. The Secretary shall ascertain and establish conversion factors showing the amount of wheat contained in food products processed wholly or partly from wheat. The conversion factor for any such product shall be determined upon the basis of the weight of wheat used in the processing of such product.

#### CIVIL PENALTIES

SEC. 379g. Any person who violates or attempts to violate, or who participates or aids in the violation of, any of the provisions of subsection (a) or (b) of section 379e of this Act shall forfeit to the United States a sum equal to three times the market value, at the time of the commission of such act, of the product involved in such violation. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

#### ADJUSTMENTS IN DOMESTIC FOOD QUOTAS

SEC. 379h. If the Secretary has reason to believe that because of a national emergency or because of an unusual and material increase in demand for wheat, the domestic food quota for wheat should be increased or suspended, he shall cause an immediate investigation to be made to determine whether the increase or suspension is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such increase or suspension is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quotas shall be increased or shall be suspended, as the case may be. In case any domestic food quota for wheat is increased under this section, each

*farm quota for wheat shall be increased in the same ratio and marketing certificates shall be issued therefor in accordance with section 379d of this Act. In case any domestic food quota for wheat is increased or suspended under this section, the Secretary may re-determine the value of marketing certificates prior to the issuance of such certificates pursuant to section 379d of this Act.*

#### REPORTS AND RECORDS

*SEC. 379i. (a) The provisions of section 373 (a) of this Act shall apply to all persons, except wheat producers, who are subject to the provisions of this subtitle, except that any such person failing to make any report or keep any record as required by this section or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$2,000 for each such violation.*

*(b) The provisions of section 373 (b) of the Act shall apply to all wheat farmers who are subject to the provisions of this subtitle.*

#### REFERENDUM

*SEC. 379j. In any referendum held pursuant to section 336 of this Act on the national marketing quota proclaimed for the 1959, 1960, or 1961 crops of wheat, the Secretary shall also submit on separate ballots the question whether farmers favor a marketing certificate program under this subtitle in lieu of marketing quotas under subtitle B. If more than one-half of the farmers voting in the referendum favor such marketing certificate program, the Secretary shall prior to the effective date of the national marketing quota proclaimed under subtitle B, suspend the operation of such quota and place into effect a marketing certificate program for that crop and any subsequent wheat crops harvested in the years 1959, 1960, and 1961 under the provisions of this subtitle, in which event marketing quotas and the provisions of title II of this Act relating thereto, except as otherwise provided in this section, shall not thereafter be in effect for such crops of wheat: Provided, That, whenever a marketing certificate program is in effect, the wheat marketing quota provisions and penalties shall remain in effect with respect to prior crops of wheat in the same manner as if marketing quotas were in effect for the current crop of wheat, and the Secretary may, by regulation, prescribe the method for collecting penalties on any such wheat.*

#### PRICE SUPPORT

*SEC. 379k. Notwithstanding any other provision of law—*

*(a) whenever a wheat marketing certificate program under this subtitle is in effect, price support for wheat shall be determined in accordance with the provisions of subsection (b) of this section;*

*(b) the Secretary of Agriculture is authorized to make available through loans, purchases, or other operations, price support to producers of wheat who are cooperators. The amount, terms, conditions, and extent of such price-support operations shall be determined by the Secretary, except that the level of such support*



*shall be determined after taking into consideration the following factors: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which corn and other feed grains are being supported and the feed value of such grains in relation to wheat, (3) the provisions of any international agreement approved by the Congress or ratified by the Senate relating to wheat to which the United States is a party, (4) foreign trade policies of friendly wheat exporting countries, and (5) other factors affecting international trade in wheat including exchange rates and currency regulations;*

*(c) compliance by the producer with acreage allotments may be prescribed and required by the Secretary as a condition of eligibility for price support and for the receipt of wheat marketing certificates. Acreage allotments shall be established in accordance with the provisions of subtitle B, part III of this Act;*

*(d) notwithstanding any other provisions of law, no producer of wheat shall receive certificates for a number of bushels in excess of the number obtained by multiplying the acreage actually planted to wheat for harvest as grain by the normal yield;*

*(e) any farmer who is dissatisfied with his farm acreage allotment may have such acreage allotment reviewed in accordance with the procedures prescribed by sections 363 to 368, inclusive, for reviewing marketing quotas.*

#### SUBTITLE [D] E—RICE CERTIFICATES

##### LEGISLATIVE FINDINGS

SEC. 380a. The movement of rice from producer to consumer is preponderantly in interstate and foreign commerce, and the small quantity of rice which does not move in interstate or foreign commerce affects such commerce. In order to provide an adequate and balanced flow of rice in interstate and foreign commerce and to assure consumers an adequate and steady supply of rice at fair prices it is necessary to regulate all commerce in rice in the manner provided in this subtitle. These findings are supplemental to and in addition to the findings contained in section 351 of this Act.

##### EFFECTIVE DATE AND TERMINATION

SEC. 380b. Sections 380c through 380g (c) shall be effective beginning with the first crop of rice, subsequent to the 1956 crop and prior to the 1959 crop, for which the Secretary determines and proclaims that the initiation of a program under this subtitle is administratively feasible and in the best interests of rice producers and the United States. Unless extended by law, the provisions of this subtitle shall not apply to rice of any crop following the second crop for which a program is in effect under sections 380c and 380g (c).

##### RICE PRIMARY MARKET QUOTA

SEC. 380c. Not later than December 31 of each year, the Secretary shall determine and proclaim the primary market quota for rice for the marketing year beginning in the next calendar year. The primary market quota shall be the number of hundredweights of rice (on



a rough rice basis) which the Secretary determines will be consumed in the United States (including its Territories and possessions and the Commonwealth of Puerto Rico) or exported to Cuba, during such marketing year. In making this determination the Secretary shall consider the historical consumption in these markets of rice produced in the United States and any expected enlargement in such consumption predicated upon population trends, increased per capita consumption, and other relevant factors.

#### APPORTIONMENT OF PRIMARY MARKET QUOTA

SEC. 380d. (a) The primary market quota for rice shall be apportioned by the Secretary among the several States on the basis of the average yield per acre of rice in each State during the three years immediately preceding the year for which the quota is proclaimed (or in the case of the apportionment for 1957, during the two years preceding such year) multiplied by the acreage allotment of such State for such year.

(b) The State primary market quota shall be apportioned by the Secretary among farms on the basis of the acreage allotment established for each farm multiplied by the normal yield per acre for the farm.

#### REVIEW OF PRIMARY MARKET QUOTA

SEC. 380e. Notice of the primary market quota shall be mailed to the operator of the farm to which such quota applies. The farm operator may have such quota reviewed in accordance with the provisions of sections 363 to 368, inclusive, of this Act.

#### PRICE SUPPORT

SEC 380f. (a) Notwithstanding any other provision of law, the Commodity Credit Corporation shall make price support available to cooperators through loans, purchases, or other operations on any crop of rice for which a program is in effect under sections 380c through 380g (c) at such level, not less than 50 per centum or more than 90 per centum of the parity price therefor, as the Secretary determines will not discourage or prevent the exportation of rice produced in the United States.

(b) Section 101 of the Agricultural Act of 1949, as amended, shall not apply to price support made available on rice of any crop to which this section is applicable, but all the other provisions of such Act, to the extent not inconsistent with this subtitle, shall apply to price support operations carried out under this section.

#### CERTIFICATES

SEC. 380g. (a) The Secretary of Agriculture shall for each marketing year issue certificates to cooperators for a quantity of rice equal to the primary marketing quota for the farm for such marketing year, but not exceeding the normal yield of the acreage planted to rice on the farm. The certificate shall have the value specified in subsection (e) of this section.

(b) The landlord, tenants, and sharecroppers on the farm shall share in the certificates issued with respect to the farm in the same

proportion as they share in the rice produced on the farm or the proceeds therefrom.

(c) The provisions of section 385 of this Act shall be applicable to certificates issued to producers under this section.

(d) The Commodity Credit Corporation shall issue and sell certificates to persons engaged in the processing of rough rice or the importing of processed rice. Each such certificate shall be sold for an amount equal to the value thereof, as specified in subsection (e) of this section.

(e) The value of each certificate issued under this section shall be equal to the difference between 90 per centum of the parity price of rice as of the beginning of the marketing year for which the certificate is issued and the level of price support for rice which is in effect during such marketing year, calculated to the nearest cent, multiplied by the quantity of rice for which the certificate is issued. Any certificates not used to cover the processing of rice or the importation of processed rice pursuant to sections 380k and 380l of this Act shall be redeemed by the Commodity Credit Corporation at the value thereof.

#### INVENTORY ADJUSTMENT PAYMENTS

SEC. 380h. To facilitate the transition from the price support program currently in effect to the program provided for in this subtitle, the Commodity Credit Corporation shall make inventory adjustment payments to all persons owning rough rice located in the continental United States as of the beginning of the marketing year for the first crop of rice for which a program is in effect under sections 380c through 380g (c): *Provided, however,* That such payments shall not be made with respect to rice of such crop, imported rice, or rice acquired from Commodity Credit Corporation. The amount of such payment per hundredweight shall be the amount by which the estimated average price paid producers during the marketing year for the preceding crop exceeds the estimated average support price for the first crop for which a program is made effective. There are hereby authorized to be appropriated such sums as may be necessary to make payment to Commodity Credit Corporation for expenditures pursuant to this section.

#### RICE SET-ASIDE

SEC. 380i. All rough and processed rice in the inventories of Commodity Credit Corporation as of sixty days after the beginning of the marketing year for the first crop for which a program is in effect under sections 380c through 380g (c), not exceeding twenty million hundredweight of rough rice or its equivalent in processed rice may be transferred to and be made a part of the commodity set-aside of rice established pursuant to section 101 of the Agricultural Act of 1954.

#### EXEMPTIONS

SEC. 380j. The provisions of this subtitle shall not apply to non-irrigated rice produced on any farm on which the acreage planted to nonirrigated rice does not exceed three acres, and the provisions of sections 380c through 380g (c) shall not apply to rice produced in Puerto Rico or Hawaii.

## PROCESSING RESTRICTIONS

SEC. 380k. (a) Each person who on or after the beginning of the marketing year for the first crop for which a program is in effect under sections 380c through 380g (c), engages in the processing of rough rice in the United States shall, upon processing any quantity of rough rice, acquire certificates issued under section 380g of this Act in an amount sufficient to cover such quantity of rough rice.

(b) The requirements of subsection (a) of this section shall not be applicable to the processing in Puerto Rico or Hawaii of rough rice grown in Puerto Rico or Hawaii, respectively.

(c) Upon the exportation from the United States to any country other than Cuba of any processed rice with respect to which certificates were acquired in accordance with the requirements of subsection (a) of this section or section 380l, the Commodity Credit Corporation shall pay to the exporter an amount equal to the value of the certificates for the rough rice equivalent of such processed rice.

## IMPORT RESTRICTIONS

SEC. 380l. Each person who, on or after the beginning of the marketing year for the first crop for which a program is in effect under sections 380c through 380g (c), imports processed rice into the United States shall acquire certificates issued under section 380g of this Act covering the rough rice equivalent of such processed rice.

## REGULATIONS

SEC. 380m. The Secretary shall prescribe regulations governing the issuance, redemption, acquisition, use, transfer, and disposition of certificates hereunder.

## CIVIL PENALTIES

SEC. 380n. Any person who violates or attempts to violate, or who participates or aids in the violation of, any of the provisions of sections 380k or 380l of this Act, or regulations prescribed by the Secretary for the enforcement of such provisions, shall forfeit to the United States a sum equal to three times the market value, at the time of the commission of such act, of the product involved in such violation. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

## REPORTS AND RECORDS

SEC. 380o. (a) The provisions of section 373 (a) of this Act shall apply to all persons, except rice producers, who are subject to the provisions of this subtitle, except that any such person failing to make any report or keep any record as required by this section or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$2,000 for each such violation.

(b) The provisions of section 373 (b) of the Act shall apply to all rice farmers who are subject to the provisions of this subtitle.

## DEFINITIONS

SEC. 380p. For the purposes of this subtitle—

(a) "cooperator" shall have the same meaning as under the Agricultural Act of 1949, as amended.



(b) "processing of rough rice" means subjecting rough rice for the first time to any process which removes the husk or hull from the rice and results in the production of processed rice.

(c) "processed rice" means any rice from which the husk or hull has been removed and includes, but is not limited to—

- (1) whole grain rice,
- (2) second head milled rice,
- (3) screenings milled rice,
- (4) brewers milled rice,
- (5) undermilled rice or unpolished rice,
- (6) brown rice,
- (7) converted rice, malekized rice or parboiled rice, and
- (8) vitaminized rice or enriched rice.

(d) "United States" means the several States, the Territories of Hawaii and Alaska, the District of Columbia, and the Commonwealth of Puerto Rico.

(e) "exporter" means the consignor named in the bill of lading under which the processed rice is exported: *Provided, however,* That any other person may be considered to be the exporter if the consignor named in the bill of lading waives his claim in favor of such other person.

(f) "rough rice equivalent" means the quantity of rough rice normally used (as determined by the Secretary of Agriculture) in the production of a particular quantity of processed rice, but shall not be more than one hundred pounds of rough rice for each sixty-eight pounds of processed rice.

(g) "import" means to enter, or withdraw from warehouse, for consumption.

## SUBTITLE [E] F—MISCELLANEOUS PROVISIONS AND APPROPRIATIONS

### PART I—MISCELLANEOUS

#### COTTON PRICE ADJUSTMENT PAYMENTS

SEC. 381. (a) (Applicable only to 1937 crop of cotton.)

(b) (Applicable only to 1937 crop of cotton.)

SEC. 382. (Applicable only to 1937 crop of cotton.)

#### INSURANCE OF COTTON AND RECONCENTRATION OF COTTON

SEC. 383. (a) The Commodity Credit Corporation shall place all insurance of every nature taken out by it on cotton, and all renewals, extensions, or continuations of existing insurance, with insurance agents who are bona fide residents of and doing business in the State where the cotton is warehoused: *Provided,* That such insurance may be secured at a cost not greater than similar insurance offered on said cotton elsewhere.

(b) Cotton held as security for any loan heretofore or hereafter made or arranged for by the Commodity Credit Corporation shall not hereafter be reconcentrated without the written consent of the producer or borrower.

#### FINALITY OF FARMERS' PAYMENTS AND LOANS

SEC. 385. The facts constituting the basis for any Soil Conservation Act payment, parity payment, loan, or price support operation, or

the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. In case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all the circumstances and provide by regulations.

SEC. 386. The provisions of section 3741 of the Revised Statutes (U. S. C., 1934 edition, title 41, sec. 22) and sections 114 and 115 of the Criminal Code of the United States (U. S. C., 1934 edition, title 18, secs. 204 and 205) [now 18 U. S. C. 431 and 432] shall not be applicable to loans or payments made under this Act (except under section 383 (a)).

#### PHOTOGRAPHIC REPRODUCTIONS AND MAPS

SEC. 387. The Secretary may furnish reproductions of such aerial or other photographs, mosaics, and maps as have been obtained in connection with the authorized work of the Department to farmers and governmental agencies at the estimated cost of furnishing such reproductions, and to persons other than farmers at such prices (not less than estimated cost of furnishing such reproductions) as the Secretary may determine, the money received from such sales to be deposited in the Treasury to the credit of the appropriation charged with the cost of making such reproductions. This section shall not affect the power of the Secretary to make other disposition of such or similar materials under any other provisions of existing law.

#### UTILIZATION OF LOCAL AGENCIES

SEC. 388. (a) The provisions of section 8 (b) and section 11 of the Soil Conservation and Domestic Allotment Act, as amended, relating to the utilization of State, county, local committees, the extension service, and other approved agencies, and to recognition and encouragement of cooperative associations, shall apply in the administration of this Act; and the Secretary shall, for such purposes, utilize the same local, county, and State committees as are utilized under sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended. The local administrative areas designated under section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, for the administration of programs under that Act, and the local administrative areas designated for the administration of this Act shall be the same.

(b) The Secretary is authorized and directed, from any funds made available for the purposes of the Acts in connection with which county committees are utilized, to make payments to county committees of farmers to cover the estimated administrative expenses incurred or to be incurred by them in cooperating in carrying out the provisions of such Acts. All or part of such estimated administrative expenses of any such committee may be deducted pro rata from the Soil Conservation Act payments, parity payments, or loans, or other payments under such Acts, made unless payment of such expenses is otherwise pro-

vided by law. The Secretary may make such payments to such committees in advance of determination of performance by farmers.

#### PERSONNEL

SEC. 389. The Secretary is authorized and directed to provide for the execution by the Agricultural Adjustment Administration of such of the powers conferred upon him by this Act as he deems may be appropriately exercised by such administration; and for such purposes the provisions of law applicable to appointment and compensation of persons employed by the Agricultural Adjustment Administration shall apply.

#### SEPARABILITY

SEC. 390. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act and the application of such provision to other persons or circumstances, and the provisions of the Soil Conservation and Domestic Allotment Act, as amended, shall not be affected thereby. Without limiting the generality of the foregoing, if any provision of this Act should be held not to be within the power of the Congress to regulate interstate and foreign commerce, such provision shall not be held invalid if it is within the power of the Congress to provide for the general welfare or any other power of the Congress. If any provision of this Act for marketing quotas with respect to any commodity should be held invalid, no provision of this Act for marketing quotas with respect to any other commodity shall be affected thereby. If the application of any provision for a referendum should be held invalid, the application of other provisions shall not be affected thereby. If by reason of any provision for a referendum the application of any such other provision to any person or circumstance is held invalid, the application of such other provision to other persons or circumstances shall not be affected thereby.

### PART II—APPROPRIATIONS AND ADMINISTRATIVE EXPENSES

#### APPROPRIATIONS

SEC. 391. (a) Beginning with the fiscal year ending June 30, 1938, there is hereby authorized to be appropriated, for each fiscal year for the administration of this Act and for the making of soil conservation and other payments such sums as Congress may determine, in addition to any amount made available pursuant to section 15 of the Soil Conservation and Domestic Allotment Act, as amended.

(b) (Applicable only to fiscal year 1938.)

(c) During each fiscal year, beginning with the fiscal year ending June 30, 1941, the Commodity Credit Corporation is authorized and directed to loan to the Secretary such sums, not to exceed \$50,000,000, as he estimates will be required during such fiscal year, to make crop insurance premium advances and to make advances pursuant to the applicable provisions of sections 8 and 12 of the Soil Conservation and Domestic Allotment Act, as amended, in connection with programs applicable to crops harvested in the calendar year in which such fiscal year ends, and to pay the administrative expenses of county agricul-



tural conservation associations for the calendar year in which such fiscal year ends. The sums so loaned during any fiscal year shall be transferred to the current appropriation available for carrying out sections 7 to 17 of such Act and shall be repaid, with interest at a rate to be determined by the Secretary but not less than the cost of money to the Commodity Credit Corporation for a comparable period, during the succeeding fiscal year from the appropriation available for that year or from any unobligated balance of the appropriation for any other year.

#### ADMINISTRATIVE EXPENSES

SEC. 392. (a) The Secretary is authorized and directed to make such expenditures as he deems necessary to carry out the provisions of this Act and sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, including personal services and rents in the District of Columbia and elsewhere; traveling expenses; supplies and equipment; lawbooks, books of reference, directories, periodicals, and newspapers; and the preparation and display of exhibits, including such displays at community, county, State, interstate, and international fairs within the United States. The Secretary of the Treasury is authorized and directed upon the request of the Secretary to establish one or more separate appropriation accounts into which there shall be transferred from the respective funds available for the purposes of the several Acts, in connection with which personnel or other facilities of the Agricultural Adjustment Administration are utilized, proportionate amounts estimated by the Secretary to be required by the Agricultural Adjustment Administration for administrative expenses in carrying out or cooperating in carrying out any of the provisions of the respective Acts.

(b) In the administration of this title and sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, the aggregate amount expended in any fiscal year, beginning with the fiscal year ending June 30, 1942, for administrative expenses in the District of Columbia, including regional offices, and in the several States (not including the expenses of county and local committees) shall not exceed 3 per centum of the total amount available for such fiscal year for carrying out the purposes of this title and such Act, unless otherwise provided by appropriation or other law. In the administration of section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (49 Stat. 774), as amended, and the Agricultural Marketing Agreement Act of 1937, as amended, and those sections of the Agricultural Adjustment Act (of 1933), as amended, which were reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, the aggregate amount expended in any fiscal year, beginning with the fiscal year ending June 30, 1942, for administrative expenses in the District of Columbia, including regional offices, and in the several States (not including the expenses of county and local committees) shall not exceed 4 per centum of the total amount available for such fiscal year for carrying out the purposes of said Acts, unless otherwise provided by appropriation or other law. In the event any administrative expenses of any county or local committee are deducted in any fiscal year, beginning with the fiscal year ending June 30, 1939, from Soil Conservation Act payments, parity

payments, or loans, each farmer receiving benefits under such provisions shall be apprised of the amount or percentage deducted from such benefit payment or loan on account of such administrative expenses. The names and addresses of the members and employees of any county or local committee, and the amount of such compensation received by each of them, shall be posted annually in a conspicuous place in the area within which they are employed.

#### ALLOTMENT OF APPROPRIATIONS

SEC. 393. All funds for carrying out the provisions of this Act shall be available for allotment to bureaus and offices of the Department, and for transfer to such other agencies of the Federal Government, and to such State agencies, as the Secretary may request to cooperate or assist in carrying out the provisions of this Act.

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### SECTIONS 703, 704, AND 705 OF THE NATIONAL WOOL ACT OF 1954

SEC. 703. The Secretary of Agriculture shall, through the Commodity Credit Corporation, support the prices of wool and mohair, respectively, to the producers thereof by means of loans, purchases, payments, or other operations. Such price support shall be limited to wool and mohair marketed during the period beginning April 1, 1955, and ending March 31, [1959] 1962. The support price for shorn wool shall be at such incentive level as the Secretary, after consultation with producer representatives, and after taking into consideration prices paid and other cost conditions affecting sheep production, determines to be necessary in order to encourage an annual production consistent with the declared policy of this title: *Provided*, That the support price for shorn wool shall not exceed 110 per centum of the parity price therefor. If the support price so determined does not exceed 90 per centum of the parity price for shorn wool, the support price for shorn wool shall be at such level, not in excess of 90 per centum nor less than 60 per centum of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately three hundred and sixty million pounds of shorn wool. The support prices for pulled wool and for mohair shall be established at such levels, in relationship to the support price for shorn wool, as the Secretary determines will maintain normal marketing practices for pulled wool, and as the Secretary shall determine is necessary to maintain approximately the same percentage of parity for mohair as for shorn wool. The deviation of mohair support prices shall not be calculated so as to cause it to rise or fall more than 15 per centum above or below the comparable percentage of parity at which shorn wool is supported. Notwithstanding the foregoing, no price support shall be made available, other than through payments, at a level in excess of 90 per centum of the parity price for the commodity. The Secretary shall, to the extent practicable, announce the support price levels for wool and mohair sufficiently in advance of each marketing year as will permit producers to plan their production for such marketing year.



SEC. 704. If payments are utilized as a means of price support, the payments shall be such as the Secretary of Agriculture determines to be sufficient, when added to the national average price received by producers, to give producers a national average return for the commodity equal to the support price level therefor: *Provided*, That the total of all such payments made under this Act shall not at any time exceed an amount equal to 70 per centum of the accumulated totals, as of the same date, of the gross receipts from [specific] duties [(whether or not such specific duties are parts of compound rates)] collected on and after January 1, 1953, on all articles subject to duty under schedule 11 of the Tariff Act of 1930, as amended. The payments shall be made upon wool and mohair marketed by the producers thereof, but any wool or mohair produced prior to January 1, 1955, shall not be the subject of payments. The payments shall be at such rates for the marketing year or periods thereof as the Secretary determines will give producers the support price level as herein provided. Payments to any producer need not be made if the Secretary determines that the amount of the payment to the producer or all producers is too small to justify the cost of making such payments. The Secretary may make the payment to producers through the marketing agency to or through whom the producer marketed his wool or mohair: *Provided*, That such marketing agency agrees to receive and promptly distribute the payments on behalf of such producers. In case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and provided by regulation.

SEC. 705. For the purpose of reimbursing the Commodity Credit Corporation for any expenditures made by it in connection with payments to producers under this title, there is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1956, an amount equal to the total of expenditures made by the Corporation during the preceding fiscal year and to any amounts expended in prior fiscal years not previously reimbursed: *Provided, however*, That such amounts appropriated for any fiscal year shall not exceed 70 per centum of the gross receipts from [specific] duties [(whether or not such specific duties are parts of compound rates)] collected during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year on all articles subject to duty under schedule 11 of the Tariff Act of 1930, as amended. For the purposes of the appraisal under the Act of March 8, 1938, as amended (15 U. S. C. 713a-1), the Commodity Credit Corporation shall establish on its books an account receivable in an amount equal to any amount expended by Commodity Credit Corporation in connection with payments pursuant to this title which has not been reimbursed from appropriations made hereunder.



## MINORITY VIEWS

We, the undersigned, believe that H. R. 12954 in its present form is unsound legislation. The bill enacts for a 3-year period several farm programs that are so complex and burdened with regulations so as to be impossible of administration, and will cost the taxpayers and the consumers additional billions of dollars.

Portions of the bill that are extensions of existing programs that have proven worth while should be enacted without delay. This is particularly true of the extension of the Agricultural Trade Development and Assistance Act of 1954, commonly called Public Law 480. This act expires on June 30 of this year and the movement of our overabundance of food and fiber out of Government storage bins would be expedited by its speedy enactment. This is also true of the special milk programs for schools, veterans hospitals, and summer camps which expire on June 30 of this year.

The Wool Act, due to expire on March 31 of next year, should also be speedily extended. Why should these programs be coupled with commodity programs some of which are controversial, untried, and we think clearly unsound?

Many titles of H. R. 12954 are so complex and difficult to understand that the Department of Agriculture, commodity groups, and farm organizations who work with the committee could not agree on the actual meaning or intent of certain sections of the bill. The minority feels that in justice to the farmer, the consumer and the Department of Agriculture further research and study seems essential if these new programs suggested by this legislation are to be successful in contributing to the solution of our agricultural difficulties.

The cost of this bill to the taxpayer, if all its provisions are adopted, would be astronomical. Conservative estimates have been made that from \$1½ billion to \$2 billion will be added each year to the present expenditures of our farm programs by the enactment of this legislation.

H. R. 12954 offers no permanent program. Every title of the bill expires at the end of 3 years.

The minority will offer amendments to strike several titles of H. R. 12954 and will offer amendments to strengthen other sections.

WILLIAM S. HILL.  
CHARLES B. HOEVEN.  
SID SIMPSON.  
PAUL B. DAGUE.  
PAGE BELCHER.  
CLIFFORD G. MCINTIRE.  
WILLIAM R. WILLIAMS.  
ROBERT D. HARRISON.  
HENRY A. DIXON.  
CHARLES M. TEAGUE.  
DONALD E. TEWES.

## ADDITIONAL MINORITY VIEWS

Although we are generally in accord with the minority report, we have some reservations regarding title VII relating to corn and feed grains. We can see nothing wrong in providing for a corn referendum. This is the democratic way of determining the type of program the farmers of the country really want. However, we cannot approve of the reimposition of marketing quotas for corn in view of the fact that such quotas were repealed by the Congress a few years ago because they were found to be impracticable and unworkable. Neither can we condone permitting the feed-grain farmers of other areas of the country to impose compulsory regulations and controls with fines on the commercial corn area. Furthermore, the cost of title VII as now drawn seems prohibitive and is estimated to be almost one-half billion dollars a year.

CHARLES B. HOEVEN.  
SID SIMPSON.  
ROBERT D. HARRISON.

## DISSENTING REPORT TO H. R. 12954

If the basic premise of H. R. 12954 were the proposition that the economic needs of agriculture require a single legislative treatment of the whole of agriculture, the omnibus aspect of this bill would have a superficially plausible justification.

The fact is that this premise did not dictate the contents of H. R. 12954. Rather, the record will show that it represents the thought that if the agricultural Christmas tree is loaded up with enough ornaments it will have sufficient appeal to purchase a majority vote regardless of the negative effect of certain of those ornaments on voting Members of Congress.

Moreover, it does not purport to deal with more than a specified category of six crops. By the terms of its provisions for those six crops it thus represents a Cadillac treatment for only a part of the farm community and says to the balance of farmers that their needs as farmers, consumers of agricultural goods, and taxpayers will again be ignored or detrimentally affected. This is a package which ignores the economic unity of agriculture for a presumed majority political unity.

We confine our further remarks of dissent to the cotton section of the bill (title III) beginning at page 7 thereof.

Each of the so-called basic crops of cotton, wheat, corn, rice, tobacco, and peanuts have suffered dislocations of marketing and supply by reason of support levels which guarantee profits to reasonably efficient producers of these crops without great distinction between qualities and varieties of product within the general description of each crop. Cotton, however, has suffered the most from a poor law involving, among other things, overly high levels of support, because cotton has had an aggressive synthetic competition at home and abroad and foreign capabilities of expanded cotton production ready to be exercised if the price were right. Our agricultural program has said that the price was right both for synthetics and foreign cotton production.

As a result, the American cotton grower has been feeding the fires of competition in exchange for the palliative of a guaranteed profitable price. The result has been the loss of substantial markets at home and abroad and the prolonged imposition of prohibitive quotas on American cotton growers. Restricted production, of course, means less profitable production even with high per unit prices.

It is almost unanimously agreed by experts in the cotton business, either publicly or privately, that these things are true:

1. If American cotton production is to hold its present market position, its market price must be lower. Increasing consumption by reason of population increase will probably produce increasing demands with a lower price. If the price is low enough lost markets



may be regained. Any lowering of prices is valuable whether or not it makes cotton completely competitive pricewise with synthetics.

2. In terms of modern competition and modern technology of production, there are many acres in the United States which should not be devoted to cotton. In some instances, whole farms would be included in this category. Support programs should not be geared to maintaining such acres in production. The effect of such effort is the aggravation of a surplus problem and the penalizing of all cotton growers. It should be noted that in many instances such acres produce cotton of a quality for which there is no possible market outside of the Government loan. These are the supplies which consistently become the property of the Government and are caused in large measure by the present seven-eighths-inch staple length base for support levels.

3. There is a possible shortage of quality cotton in 1959 occasioned by several years' application of a defective quota law combined with a 1957 crop failure in portions of the Cotton Belt, coupled with substantial costly dump sales of CCC cotton abroad. The cotton produced on the estimated minimum acreage of 17,750,000 acres provided by H. R. 12954, therefore, may not produce a costly surplus in 1959. It will in 1960 and 1961.

#### COMMENT ON THE SPECIFIC PROVISIONS OF H. R. 12954

This proposal is not a rational answer to the problem of cotton either in 1959 or subsequent years. As noted, it establishes a minimum acreage which will produce a surplus each year with the possible exception in 1959 and approximately 30 percent of such acreage will produce cotton which cannot be sold except to the Government at the support prices established.

It would destroy the loan program for precisely those producers who have been using such program as it should be used, viz those who have used it as an orderly marketing device by harboring their cotton in the loan temporarily with ultimate market sale and repayment to the Government of the loan plus interest and carrying charges.

It would substitute outright purchase by the Government of the great bulk of cotton with the consequent destruction of country buyers and other local factors in the cotton business, including marketing cooperatives.

HARLAN HAGEN.  
CHARLES M. TEAGUE.



Union Calendar No. 762

85TH CONGRESS  
2D SESSION

# H. R. 12954

[Report No. 1939]

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 1958

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

JUNE 19, 1958

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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## A BILL

To extend and amend the Agricultural Trade Development and Assistance Act of 1954; to amend the Agricultural Adjustment Act of 1938, the Agricultural Act of 1949; and the National Wool Act of 1954 with respect to acreage allotment and price support programs for rice, cotton, wool, wheat, milk, and feed grains; and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as "The Agricultural Act of  
4       1958".

5                   TITLE I—FOREIGN TRADE

6       SEC. 101. The Agricultural Trade Development and  
7       Assistance Act of 1954, as amended, is amended as follows:

8       (a) Sections 109 and 204 of such Act are amended

1 by striking out "1958" and substituting in lieu thereof  
2 "1959".

3 (b) Section 103 (b) of such Act is amended by  
4 striking out "\$4,000,000,000" and inserting in lieu thereof  
5 "\$5,500,000,000".

6 SEC. 102. Section 303 of the Agricultural Trade Devel-  
7 opment and Assistance Act of 1954 is amended to read as  
8 follows:

9 "SEC. 303. The Secretary is directed, to the maximum  
10 extent practicable within the limit permitted by this section,  
11 to barter or exchange agricultural commodities owned by the  
12 Commodity Credit Corporation for (a) strategic materials  
13 or other materials of which the United States does not  
14 domestically produce its requirements and which entail less  
15 risk of loss through deterioration or substantially less storage  
16 charges, or (b) materials, goods, or equipment required in  
17 connection with foreign economic and military aid and assist-  
18 ance programs, or (c) materials or equipment required in  
19 substantial quantities for offshore construction programs.  
20 He is hereby directed to use every practicable means, in  
21 cooperation with other Government agencies, to arrange  
22 and make, through private channels, such barter or ex-  
23 changes or to utilize the authority conferred on him by sec-  
24 tion 4 (h) of the Commodity Credit Corporation Charter



1 Act, as amended, to make such barter or exchanges: *Pro-*  
2 *vided*, That the total volume of the transactions directed by  
3 this section shall not exceed \$500,000,000 annually, unless  
4 specifically authorized by the Congress. In carrying out  
5 barter or exchanges authorized by this section, no restric-  
6 tions shall be placed on the countries of the free world into  
7 which surplus agricultural commodities may be sold, except  
8 where the Secretary has made a specific finding as to a  
9 particular transaction that such transaction will replace a  
10 cash sale for dollars. The authorities contained in this sec-  
11 tion shall, in addition to other types of transactions, permit  
12 the domestic processing of raw materials of foreign origin  
13 or of domestic origin where the domestic processor agrees  
14 to import an equivalent amount of similar foreign material.  
15 Agencies of the United States Government procuring such  
16 materials, goods, or equipment are hereby directed to cooper-  
17 ate with the Secretary in the disposal of surplus agricultural  
18 commodities by means of barter or exchange. The Secretary  
19 is also directed to assist, through such means as are available  
20 to him, farmers' cooperatives in effecting exchange of agri-  
21 cultural commodities in their possession for strategic  
22 materials."

23 SEC. 103. Section 104 of the Agricultural Trade De-  
24 velopment and Assistance Act of 1954, as amended, is

1 amended by substituting a semicolon for the period at the  
2 end of paragraph (j) and adding the following new para-  
3 graph:

4 “(k) For the acquisition by purchase, lease, rental or  
5 otherwise, of sites and buildings and grounds abroad, for  
6 United States Government use including offices, residence  
7 quarters, community and other facilities, and for construc-  
8 tion, repair, alteration and furnishing of such buildings and  
9 facilities: *Provided*, That foreign currencies shall be available  
10 for the purposes of this subsection (in addition to funds other-  
11 wise made available for such purposes) in such amounts as  
12 may be specified from time to time in appropriation acts;”.

13 SEC. 104. Section 104 of such Act is amended by adding  
14 thereto the following new paragraph:

15 “(l) For financing trade fair participation and related  
16 activities authorized by section 3 of the International Cultural  
17 Exchange and Trade Fair Participation Act of 1956 (22  
18 U. S. C. 1992) ;”.

19 SEC. 105. Section 104 of such Act is amended by add-  
20 ing the following new paragraph:

21 “(m) For financing under the direction of the Librar-  
22 ian of Congress, in consultation with the National Science  
23 Foundation and other interested agencies, (1) programs  
24 outside the United States for the analysis and evaluation  
25 of foreign books, periodicals, and other materials to deter-

1 mine whether they would provide information of technical  
2 or scientific significance in the United States and whether  
3 such books, periodicals, and other materials are of cultural  
4 or educational significance; (2) the registry, indexing, bind-  
5 ing, reproduction, cataloging, abstracting, translating, and  
6 dissemination of books, periodicals, and related materials de-  
7 termined to have such significance; and (3) the acquisition  
8 of such books, periodicals, and other materials and the de-  
9 posit thereof in libraries and research centers in the United  
10 States specializing in the areas to which they relate;”.

11 SEC. 106. Such Act is amended by adding thereto the  
12 following new section:

13 “SEC. 306. Any provision of this Act or of section 32  
14 of the Act of August 24, 1935, as amended (7 U. S. C.  
15 612c), may be extended by the President to any area under  
16 the jurisdiction or administration of the United States.”

17 SEC. 107. Section 104 of such Act is amended by in-  
18 serting in the first proviso after the lettered paragraphs  
19 thereof, after “(d) and (e)”, in lieu of the word “and”,  
20 the following: “except when used for cooperative non-self-  
21 liquidating projects for the development of human resources  
22 and skills;”

23 SEC. 108. (a) Section 104 of such Act is amended by  
24 inserting before the period at the end of the first sentence of  
25 paragraph (h) thereof the following: “and for the financing



1 of programs for the interchange of persons under title II of  
2 the United States Information and Educational Exchange  
3 Act of 1948, as amended (22 U. S. C. 1446) ”.

4 (b) Such section is further amended by adding the  
5 following new paragraph:

6 “(n) For providing assistance, by grant or otherwise,  
7 in the expansion or operation in foreign countries of estab-  
8 lished schools, colleges, or universities founded or sponsored  
9 by citizens of the United States, for the purpose of enabling  
10 such educational institutions to carry on programs of voca-  
11 tional, professional, scientific, technological, or general edu-  
12 cation; and in the supporting of workshops in American  
13 studies or American educational techniques, and supporting  
14 chairs in American studies:”.

## 15 TITLE II—RICE

16 SEC. 201. Section 101 (d) of the Agricultural Act of  
17 1949, as amended, is amended by adding at the end thereof  
18 the following:

19 “(8) For the 1959, 1960, and 1961 crops, the level  
20 of support for any crop of rice for which producers have not  
21 disapproved marketing quotas shall be such level not less  
22 than 75 per centum or more than 90 per centum of the  
23 parity price therefor as the Secretary determines after con-  
24 sideration of the factors specified in section 401 (b).”

25 SEC. 202. Section 353 (c) of the Agricultural Adjust-

1 ment Act of 1938, as amended, is amended by adding at  
2 the end thereof the following:

3 “(7) The national acreage allotments of rice for 1959,  
4 1960, and 1961 shall be not less than the national acreage  
5 allotment for 1958, and such national allotments for 1959,  
6 1960, and 1961 shall be apportioned among the States in  
7 the same proportion that they shared in the total acreage  
8 allotted in 1958.”

### 9 TITLE III—COTTON

#### 10 1959-61 PRICE SUPPORTS AND ACREAGE ALLOTMENTS

11 SEC. 301. For the 1959, 1960, and 1961 crops, pro-  
12 duction adjustment and price support programs for upland  
13 cotton (hereinafter referred to as “cotton”) shall be carried  
14 out in accordance with the provisions of the Agricultural  
15 Adjustment Act of 1938, as amended, and the Agricultural  
16 Act of 1949, as amended, except that—

17 (1) the national marketing quota, which shall be  
18 proclaimed for each year regardless of the supply find-  
19 ings under section 342 of the Agricultural Adjustment  
20 Act of 1938, as amended, shall be not less than that  
21 number of bales necessary to equal the estimated domes-  
22 tic consumption and exports for the marketing year for  
23 which the quota is proclaimed;

24 (2) the Secretary shall provide for the county  
25 committee to offer the operator of each farm for which

1 a 1959 cotton acreage allotment has been established a  
2 choice between two price support and acreage allot-  
3 ment programs for 1959 as hereinafter described: (a)  
4 under "program A" the farm acreage allotment shall  
5 be the allotment established for the farm pursuant to  
6 the provisions of the Agricultural Adjustment Act of  
7 1938, as amended, and this Act, and the level of price  
8 support for cooperators shall be established by the  
9 Secretary without regard to section 101 (b) of the  
10 Agricultural Act of 1949, as amended, at not less than  
11 the level calculated by using the same per centum of the  
12 parity price of cotton as that which was applicable  
13 to the 1958 crop of cotton; (b) under "program B" the  
14 farm acreage allotment so established shall be increased  
15 by not to exceed  $33\frac{1}{3}$  per centum, and the level of price  
16 support for cooperators shall be set at such level not  
17 less than 60 per centum of the parity price for cotton,  
18 as the Secretary shall determine;

19 (3) the provisions of paragraph (2) shall be ap-  
20 plicable to the 1960 and 1961 crops of cotton except  
21 that the level of price support under "program A" shall  
22 be established by the Secretary without regard to  
23 section 101 (b) of the Agricultural Act of 1949, as  
24 amended, at not less than 80 per centum of parity for



1 the 1960 crop and not less than 75 per centum of parity  
2 of the 1961 crop;

3 (4) the additional acreage required to be allotted  
4 to farms under "program B" for any year shall be in ad-  
5 dition to the county, State, and National acreage allot-  
6 ments for such year and the production from such acre-  
7 age shall be in addition to the national marketing quota.  
8 The additional acreage so allotted to farms shall not be  
9 taken into account in establishing future State, county,  
10 and farm acreage allotments;

11 (5) price support to cooperators under "program  
12 A" shall be made available through a purchase program  
13 and cotton so purchased by the Commodity Credit Cor-  
14 poration, as well as any other cotton acquired by the  
15 Commodity Credit Corporation under price-support  
16 operations, may be made available for sale immediately  
17 after receipt at not less than 10 per centum above the  
18 current support price under "program B", plus reason-  
19 able carrying charges: *Provided*, That any cotton ac-  
20 quired by the Commodity Credit Corporation under any  
21 price support program may be used for the purpose of  
22 carrying out the cotton export program provided for in  
23 section 203 of the Agricultural Act of 1956.

# 1 SMALL FARM ALLOTMENTS

2 SEC. 302. The amendments contained in subsections (a) ,  
3 (c) , and (d) of section 303 of the Agricultural Act of 1956  
4 relating to minimum farm acreage allotments shall apply  
5 to the 1959, 1960, and 1961 crops of cotton, except that—  
6 (1) the national acreage reserve shall be established,  
7 by the Secretary in an amount equal to the estimated  
8 needs for additional acreage for establishing minimum  
9 farm allotments under section 344 (f) (1). The needs  
10 for such additional acreage shall be estimated by the  
11 Secretary, taking into consideration such needs as estab-  
12 lished by the Secretary in connection with the 1957 and  
13 1958 cotton allotments and the size of the national acre-  
14 age allotments for such years. The national acreage  
15 reserve shall be apportioned to States and counties on  
16 the basis of the proviso in paragraph (7) of section  
17 344 (f) .

(2) the amount of the national acreage reserve established pursuant to paragraph (1) of this section and the additional one thousand acres for apportionment to Nevada shall be deducted from the national acreage allotment prior to its apportionment to the States pursuant to section 344 (b).

## 1                    LOANS ON SPOTTED COTTON

2            SEC. 303. Section 403 of the Agricultural Act of 1949,  
3 as amended, is amended by adding at the end thereof the  
4 following sentence: "In adjusting the support price for  
5 cotton on the basis of grade, the Secretary shall establish  
6 separate price support rates substantially reflecting the usual  
7 trade differentials for spotted cotton and for light spotted  
8 cotton".

## 9            APPORTIONMENT ON BASIS OF PREVIOUS ALLOTMENT

10          SEC. 304. Section 344 (f) of the Agricultural Adjust-  
11 ment Act of 1938, as amended, is amended by adding at  
12 the end thereof the following new paragraph:

13          "(7) Notwithstanding the foregoing provisions of para-  
14 graphs (2) and (6) of this subsection, the Secretary may,  
15 if he determines that such action will facilitate the effective  
16 administration of the provisions of the Act, provide for  
17 the county acreage allotment for 1959, 1960, and 1961,  
18 less the acreage reserved under paragraph (3) of this  
19 subsection, to be apportioned to farms on which cotton has  
20 been planted in any one of the three years immediately  
21 preceding the year for which such allotment is determined,  
22 on the basis of the farm acreage allotment for the year  
23 immediately preceding the year for which such apportion-



1 ment is made, adjusted as may be necessary for any change  
2 in the acreage of cropland available for the production  
3 of cotton: *Provided*, That the State and county bases for  
4 apportioning the acreage reserve provided for in sub-  
5 section (b) of this section for establishing minimum farm  
6 allotments pursuant to paragraph (1) of this subsection  
7 shall be the same as those determined by the Secretary in  
8 apportioning such reserves in establishing 1958 farm cotton  
9 acreage allotments.”

#### 10 TITLE IV—WOOL

11 SEC. 401. Section 703 of the National Wool Act of  
12 1954 (68 Stat. 910) is amended by striking out “March 31,  
13 1959” and inserting in lieu thereof “March 31, 1962”.

14 SEC. 402. The first proviso in section 704 of such Act  
15 (68 Stat. 911) is amended by striking out “specific” the  
16 first time it appears therein, and by striking out “(whether  
17 or not such specific duties are parts of compound rates)”.

18 SEC. 403. The proviso in section 705 of such Act (68  
19 Stat. 911) is amended by striking out “specific” the first  
20 time it appears therein, and by striking out “(whether or not  
21 such specific duties are parts of compound rates)”.

#### 22 TITLE V—WHEAT

23 SEC. 501. Title III of the Agricultural Adjustment Act  
24 of 1938, as amended, is amended (1) by designating sub-

1 titles D and E as subtitles E and F, respectively, and (2)  
2 by inserting after subtitle C a new subtitle D as follows:

3 "SUBTITLE D—DOMESTIC PARITY PLAN FOR WHEAT

4 "LEGISLATIVE FINDINGS

5 "SEC. 379a. Wheat, in addition to being a basic food,  
6 is one of the great export crops of American agriculture and  
7 its production for domestic consumption and for export is  
8 essential to the maintenance of a sound national economy and  
9 to the general welfare. The movement of wheat from pro-  
10 ducer to consumer, in the form of the commodity or any of  
11 the products thereof, is preponderantly in interstate and for-  
12 eign commerce. That small percentage of wheat which is  
13 produced and consumed within the confines of any State is  
14 normally commingled with, and always bears a close and  
15 intimate commercial and competitive relationship to, that  
16 quantity of such commodity which moves in interstate and  
17 foreign commerce. For this reason, any regulation of intra-  
18 state commerce in wheat is a regulation of commerce which  
19 is in competition with, or which otherwise affects, obstructs,  
20 or burdens interstate commerce in that commodity. In  
21 order to provide an adequate and balanced flow of wheat  
22 in interstate and foreign commerce and thereby assist farm-  
23 ers in obtaining parity of income by marketing wheat for  
24 domestic consumption at parity prices and by increased ex-

1 ports at world prices, and to assure consumers an adequate  
2 and steady supply of wheat at fair prices, it is necessary to  
3 regulate all commerce in wheat in the manner provided  
4 under the marketing certificate plan set forth in this subtitle.

5 "DOMESTIC FOOD QUOTA

6 "SEC. 379b. Not later than May 15 of each calendar  
7 year the Secretary shall determine and proclaim the domestic  
8 food quota for wheat for the marketing year beginning in  
9 the next calendar year. Such domestic food quota shall  
10 be that number of bushels of wheat which the Secretary  
11 determines will be consumed as human food in the con-  
12 tinental United States during such marketing year.

13 "APPORTIONMENT OF DOMESTIC FOOD QUOTA

14 "SEC. 379c. (a) The domestic food quota for wheat,  
15 less a reserve of not to exceed 1 per centum thereof for ap-  
16 portionment as provided in this subsection, shall be ap-  
17 portioned by the Secretary among the several States on the  
18 basis of the State acreage allotment of wheat for the year  
19 for which the domestic food quota is determined multiplied  
20 by the average yield per acre of wheat for the State during  
21 such ten-year period, adjusted for abnormal weather con-  
22 ditions and for trends in yields. The reserve quota set aside  
23 herein for apportionment by the Secretary shall be used to  
24 establish quotas for counties, in addition to the county quotas  
25 established under subsection (b) of this section, on the basis



1 of the relative needs of counties for additional quota because  
2 of reclamation and other new areas coming into the produc-  
3 tion of wheat during the five calendar years immediately  
4 preceding the calendar year in which the quota is pro-  
5 claimed.

6 “(b) The State domestic food quota for wheat, less  
7 a reserve of not to exceed 3 per centum thereof for appor-  
8 tionment as provided in subsection (c), shall be apportioned  
9 by the Secretary among the counties in the State on the  
10 basis of the county acreage allotment of wheat for the year  
11 for which such State quota is determined multiplied by the  
12 normal yield of wheat for the county for such year.

13 “(c) The county domestic food quota for wheat shall  
14 be apportioned by the Secretary, through the local commit-  
15 tees, among the farms within the county on which wheat  
16 has been seeded for the production of wheat during any one  
17 or more of the three calendar years immediately preceding  
18 the calendar year in which the marketing year for which  
19 the quota is proclaimed begins, on the basis of the farm acre-  
20 age allotment for the year for which the quota is proclaimed  
21 multiplied by the farm normal yield of wheat for such year.  
22 The reserve provided under subsection (b) shall be appor-  
23 tioned to farms for which new wheat acreage allotments  
24 are determined under the second sentence of section 334 (c)  
25 of this Act, as amended, on the basis of the farm acre-

1 age allotment for such year multiplied by the farm normal  
2 yield of wheat for such year.

3 "MARKETING CERTIFICATES

4 "SEC. 379d. (a) Beginning with the first crop of wheat  
5 for which a marketing certificate program is placed in effect  
6 under section 379j, the Secretary shall prepare for issuance  
7 in each county marketing certificates aggregating the amount  
8 of the county domestic food quota. Such certificates shall be  
9 issued to cooperators in an amount equal to the domestic  
10 food quota established for the farm pursuant to the applicable  
11 provisions of section 379c of this Act. The marketing certifi-  
12 cates for a farm shall be issued to the farm operator, but the  
13 Secretary may authorize the issuance of marketing certifi-  
14 cates to individual producers on any farm on the basis of  
15 their respective shares in the wheat crop, or the proceeds  
16 thereof, produced on the farm. The Secretary shall also  
17 issue and sell marketing certificates to processors and im-  
18 porters in such quantities as are required by them in order  
19 to meet the requirements of subsections (a) and (b) of  
20 section 379e. Marketing certificates shall be transferable  
21 only in accordance with regulations issued by the Secretary.

22 "(b) Whenever a domestic food quota is proclaimed  
23 for any marketing year pursuant to section 379b of this  
24 Act, the Secretary shall determine and proclaim for such  
25 marketing year (1) the estimated parity price, (2) the

1 estimated farm price for wheat, and (3) the value per bushel  
2 of the marketing certificate. The value of the marketing  
3 certificate shall be equal to the amount by which the esti-  
4 mated parity price exceeds the estimated farm price as  
5 determined herein. The value of each marketing certificate  
6 shall be computed to the nearest cent by multiplying the  
7 value per bushel by the number of bushels thereof. Except  
8 as otherwise provided herein, the value of the certificate  
9 so determined shall remain constant and shall remain in  
10 effect throughout the marketing year for which it is issued.  
11 The proclamation required by this subsection shall be made  
12 during the month of May immediately preceding the market-  
13 ing year for which such domestic food quota is proclaimed.  
14 “(c) The Secretary is authorized and directed through  
15 the Commodity Credit Corporation to buy and sell marketing  
16 certificates issued for any marketing year at the value pro-  
17 claimed pursuant to subsection (b) of this section. For the  
18 purpose of facilitating the purchase and sale of certificates,  
19 the Secretary may establish and operate a pool or pools and  
20 he may also authorize public and private agencies to act  
21 as his agents, either directly or through the pool or pools.  
22 Certificates shall be valid to cover sales and importations of  
23 products made during the marketing year with respect to  
24 which they are issued and after being once used to cover



1 such sales and importations shall be canceled by the Secre-  
2 tary. Any unused certificates shall be redeemed by the  
3 Secretary at the price established for such certificates.

4 "MARKETING RESTRICTIONS

5 "SEC. 379e. (a) Beginning with the first day of the  
6 marketing year in which the first crop of wheat for which  
7 a marketing certificate program is placed in effect under  
8 section 379j would normally be marketed, and except as  
9 provided in subsection (d) hereof, all persons engaged in  
10 the processing of wheat into food products composed wholly  
11 or partly of wheat are hereby prohibited from marketing  
12 any such product for domestic food consumption or export  
13 containing wheat in excess of the quantity for which market-  
14 ing certificates issued pursuant to section 379d of this Act  
15 have been acquired by such person. The quantity of such  
16 marketing certificates acquired shall be equivalent to the  
17 number of bushels of wheat processed into food products.

18 "(b) Beginning with the first day of the marketing  
19 year in which the first crop of wheat for which a marketing  
20 certificate program is placed in effect under section 379j  
21 would normally be marketed and except as provided in  
22 subsection (d) hereof, all persons are hereby prohibited  
23 from importing or bringing into the continental United States  
24 any food products containing wheat in excess of the quantity

1 for which marketing certificates issued pursuant to section  
2 379d of this Act have been acquired by such person.

3 “(c) Upon the exportation from the continental United  
4 States of any food product containing wheat, with respect  
5 to which marketing certificates as required herein have been  
6 acquired, the Secretary shall pay to the exporter an amount  
7 equal to the value of the certificates for the quantity of  
8 wheat so exported in the food product. For the purposes  
9 of this subsection, the consignor named in the bill of lad-  
10 ing, under which the article is exported, shall be considered  
11 the exporter: *Provided, however,* That any other person  
12 may be considered to be the exporter if the consignor named  
13 in the bill of lading waives claim in favor of such other  
14 person.

15 “(d) Upon the giving of a bond satisfactory to the Sec-  
16 retary under such rules and regulations as he shall prescribe  
17 to secure the purchase of and payment for such marketing  
18 certificates as may be required, any person required to have  
19 a marketing certificate in order to market or import a food  
20 product composed wholly or partly of wheat may market or  
21 import any such commodity without having first acquired a  
22 marketing certificate.

23 “(e) As used in this section, (1) the term ‘marketing’  
24 means the sale and the delivery of the food product composed

1 wholly or partly of wheat, and (2) the term "food" means  
2 human food.

3 "CONVERSION FACTORS

4 "SEC. 379f. The Secretary shall ascertain and establish  
5 conversion factors showing the amount of wheat contained  
6 in food products processed wholly or partly from wheat.  
7 The conversion factor for any such product shall be deter-  
8 mined upon the basis of the weight of wheat used in the  
9 processing of such product.

10 "CIVIL PENALTIES

11 "SEC. 379g. Any person who violates or attempts  
12 to violate, or who participates or aids in the violation of,  
13 any of the provisions of subsection (a) or (b) of section  
14 379e of this Act shall forfeit to the United States a sum  
15 equal to three times the market value, at the time of the  
16 commission of such act, of the product involved in such  
17 violation. Such forfeiture shall be recoverable in a civil  
18 suit brought in the name of the United States.

19 "ADJUSTMENTS IN DOMESTIC FOOD QUOTAS

20 "SEC. 379h. If the Secretary has reason to believe that  
21 because of a national emergency or because of an unusual  
22 and material increase in demand for wheat, the domestic  
23 food quota for wheat should be increased or suspended, he  
24 shall cause an immediate investigation to be made to deter-  
25 mine whether the increase or suspension is necessary in order



1 to meet such emergency or increase in the demand for wheat.  
2 If, on the basis of such investigation, the Secretary finds that  
3 such increase or suspension is necessary, he shall immedi-  
4 ately proclaim such finding (and if he finds an increase is  
5 necessary, the amount of the increase found by him to be  
6 necessary) and thereupon such quotas shall be increased or  
7 shall be suspended, as the case may be. In case any  
8 domestic food quota for wheat is increased under this section,  
9 each farm quota for wheat shall be increased in the same  
10 ratio and marketing certificates shall be issued therefor in  
11 accordance with section 379d of this Act. In case any  
12 domestic food quota for wheat is increased or suspended  
13 under this section, the Secretary may redetermine the value  
14 of marketing certificates prior to the issuance of such certifi-  
15 cates pursuant to section 379d of this Act.

16 "REPORTS AND RECORDS

17 "SEC. 379i. (a) The provisions of section 373 (a) of  
18 this Act shall apply to all persons, except wheat producers,  
19 who are subject to the provisions of this subtitle, except that  
20 any such person failing to make any report or keep any rec-  
21 ord as required by this section or making any false report or  
22 record shall be deemed guilty of a misdemeanor and upon  
23 conviction thereof shall be subject to a fine of not more  
24 than \$2,000 for each such violation.

25 "(b) The provisions of section 373 (b) of the Act shall

1 apply to all wheat farmers who are subject to the provisions  
2 of this subtitle.

3 "REFERENDUM

4 "SEC. 379j. In any referendum held pursuant to section  
5 336 of this Act on the national marketing quota proclaimed  
6 for the 1959, 1960, or 1961 crops of wheat, the Secretary  
7 shall also submit on separate ballots the question whether  
8 farmers favor a marketing certificate program under this  
9 subtitle in lieu of marketing quotas under subtitle B. If  
10 more than one-half of the farmers voting in the referendum  
11 favor such marketing certificate program, the Secretary shall,  
12 prior to the effective date of the national marketing quota  
13 proclaimed under subtitle B, suspend the operation of such  
14 quota and place into effect a marketing certificate program  
15 for that crop and any subsequent wheat crops harvested in  
16 the years 1959, 1960, and 1961 under the provisions of this  
17 subtitle, in which event marketing quotas and the provisions  
18 of title II of this Act relating thereto, except as otherwise  
19 provided in this section, shall not thereafter be in effect for  
20 such crops of wheat: *Provided*, That, whenever a marketing  
21 certificate program is in effect, the wheat marketing quota  
22 provisions and penalties shall remain in effect with respect  
23 to prior crops of wheat in the same manner as if marketing  
24 quotas were in effect for the current crop of wheat, and the

1 Secretary may, by regulation, prescribe the method for col-  
2 lecting penalties on any such wheat.

3 "PRICE SUPPORT

4 "SEC. 379k. Notwithstanding any other provision of  
5 law—

6 "(a) whenever a wheat marketing certificate pro-  
7 gram under this subtitle is in effect, price support for  
8 wheat shall be determined in accordance with the  
9 provisions of subsection (b) of this section;

10 "(b) the Secretary of Agriculture is authorized to  
11 make available through loans, purchases, or other opera-  
12 tions, price support to producers of wheat who are co-  
13 operators. The amount, terms, conditions, and extent  
14 of such price-support operations shall be determined by  
15 the Secretary, except that the level of such support  
16 shall be determined after taking into consideration the  
17 following factors: (1) the supply of the commodity in  
18 relation to the demand therefor, (2) the price levels  
19 at which corn and other feed grains are being supported  
20 and the feed value of such grains in relation to wheat,  
21 (3) the provisions of any international agreement  
22 approved by the Congress or ratified by the Senate  
23 relating to wheat to which the United States is a party,  
24 (4) foreign trade policies of friendly wheat exporting



1 countries, and (5) other factors affecting international  
2 trade in wheat including exchange rates and currency  
3 regulations;

4 “(c) compliance by the producer with acreage  
5 allotments may be prescribed and required by the Secre-  
6 tary as a condition of eligibility for price support and  
7 for the receipt of wheat marketing certificates. Acreage  
8 allotments shall be established in accordance with the  
9 provisions of subtitle B, part III of this Act;

10 “(d) notwithstanding any other provision of law,  
11 no producer of wheat shall receive certificates for a num-  
12 ber of bushels in excess of the number obtained by  
13 multiplying the acreage actually planted to wheat for  
14 harvest as grain by the normal yield;

15 “(e) any farmer who is dissatisfied with his farm  
16 acreage allotment may have such acreage allotment  
17 reviewed in accordance with the procedures prescribed  
18 by sections 363 to 368, inclusive, for reviewing market-  
19 ing quotas.”

## 20 TITLE VI—MILK

21 SEC. 601. Section 201 of the Agricultural Act of 1949,  
22 as amended, is amended by adding at the end thereof the  
23 following:

24 “(d) Notwithstanding any other provision of law, the  
25 Secretary shall, through the Commodity Credit Corporation,

1 by means of payments, support the price to producers of  
2 milk and butterfat used in manufactured dairy products at  
3 not less than 90 per centum of the parity equivalent  
4 price during the marketing years ending March 31, 1960,  
5 March 31, 1961, and March 31, 1962: *Provided*, That  
6 the Secretary may reduce the level of price support  
7 for any such marketing year by 3 per centum of the  
8 parity equivalent price for each 1 per centum of mar-  
9 keting base by which the Federal Dairy Board estab-  
10 lishes marketing quotas for such marketing year above  
11 the lowest quota authorized by subparagraph (3) (A)  
12 hereof: *Provided further*, That the total amount of pay-  
13 ments to producers for any marketing year shall not  
14 exceed an amount equivalent to the total amount of com-  
15 pliance deposits forfeited by producers in the same marketing  
16 year.

17 “(1) Not later than March 1 of each calendar year,  
18 the Federal Dairy Board (hereinafter referred to as the  
19 “Board”) shall estimate and determine for the marketing  
20 year starting in that calendar year the average market price  
21 of milk used in manufactured dairy products which would  
22 be received by farmers in the absence of any Federal price-  
23 support operations. If the Board determines that such price  
24 will be less than 90 per centum of the probable parity

1 equivalent price therefor, it may establish as a condition of  
2 eligibility for price-support payments for such marketing  
3 year a requirement that producers comply with such market-  
4 ing quotas as may be established for each individual dairy  
5 farm.

6       “(2) The Secretary shall establish a base for each pro-  
7 ducer desiring to market milk or butterfat. Bases shall be  
8 assigned to producers, including partnerships, corporations,  
9 or other business entities, and not to herds or farms. The  
10 Secretary shall provide by rules or regulations for the trans-  
11 fer of bases in whole or in part, for the assignment of bases  
12 to new producers, for the equitable adjustment of bases to  
13 avoid hardship, for such other adjustments consistent with  
14 the objectives of this Act as he deems appropriate, including  
15 adjustments for deficit production areas, and for such other  
16 matters as may be necessary or appropriate to set up and  
17 operate effectively and efficiently the program herein au-  
18 thorized. In establishing such bases the Secretary shall  
19 take into consideration historical production, trends, abnor-  
20 mal production during the historical period, and such other  
21 factors as may be appropriate to establish such bases in an  
22 equitable and practical manner. Bases established by the  
23 Secretary shall continue in effect from year to year, but  
24 such bases shall be subject to modification and adjustments  
25 from time to time.



1       “(3) When marketing quotas are required under pro-  
2 visions of paragraph (1) above the marketing quota for  
3 each farm may be calculated by deducting not to exceed  
4 2 per centum from the farm marketing base for each 5 per  
5 centum by which the Board estimates that the average mar-  
6 ket price of milk used in manufactured dairy products would  
7 be below 90 per centum of the parity equivalent price, in  
8 the absence of any Federal price support operations.

9       (4) When marketing quotas are required, compliance  
10 deposits of not less than 25 cents nor more than 50 cents  
11 per hundredweight of milk, as determined by the Board to  
12 be the amount required to encourage compliance with  
13 marketing quotas, shall be withheld from and shall be col-  
14 lected from each producer who sells milk, butterfat, or dairy  
15 products. Every person purchasing milk, butterfat, or dairy  
16 products from a producer (except purchases by consumers  
17 for other than commercial uses) shall withhold from the  
18 purchase price an amount equal to the compliance deposit  
19 and shall remit the same to the Commissioner of Internal  
20 Revenue. For the purposes of this section, milk, butterfat,  
21 or dairy products delivered by a producer to a cooperative  
22 association of producers shall be subject to the withholding  
23 of the deposit upon such delivery. Returns shall be filed  
24 and remittances made monthly by such purchasers in accord-  
25 ance with rules prescribed by the Commissioner. The Com-

1   missioner of Internal Revenue shall collect the compliance  
2   deposits provided for herein and shall prescribe such rules  
3   and regulations as may be necessary to accomplish that  
4   purpose. Compliance deposits collected shall be credited  
5   to a special account of the Secretary Agriculture to make  
6   refunds to milk producers who comply with marketing  
7   quotas as provided herein. The Secretary of Agriculture,  
8   annually prior to July 1 following the close of the immedi-  
9   ately preceding marketing year, shall issue drafts on such  
10   special account to refund to each producer who complies with  
11   his marketing quota the entire amount of the compliance  
12   deposit withheld from such producer. The Secretary shall  
13   release to the Treasurer of the United States the total of  
14   compliance deposits of each producer who exceeded his  
15   marketing quota.

16       “(5) A price-support deficiency payment shall be paid  
17   on all sales of milk and butterfat for manufacturing to each  
18   individual producer who complies with his marketing quota  
19   and shall be such as, within the limitations of the second  
20   proviso of the first sentence hereof, the Secretary determines  
21   to be sufficient, when added to the State average price re-  
22   ceived by producers for milk and butterfat used for manu-  
23   factured dairy products, to equal a total return of not less than

1 the support level established pursuant to this subsection for  
2 milk and butterfat used for manufactured dairy products on  
3 milk sold for manufacturing purposes for that State. Such  
4 payments shall be made to producers prior to July 1 next  
5 following the close of the marketing year. The Secretary  
6 shall calculate the monthly average net price received  
7 for milk and butterfat used in manufactured dairy products  
8 received in each State, using the price at the point  
9 of first sale out of the producers' hands. A producer who  
10 sells milk under the terms of a Federal milk order and who  
11 complies with his marketing quota shall be eligible for a  
12 payment on milk diverted into manufactured dairy products.

13 “(6) In December 1958, the Secretary shall conduct  
14 a nationwide referendum of milk producers to determine  
15 whether those voting approve the provisions of this sub-  
16 section. If more than one-half of the producers voting  
17 in the referendum oppose this subsection, this subsection  
18 shall not be placed into effect and the price-support opera-  
19 tions of the Secretary under subsection 201 (c) of the  
20 Agricultural Act of 1949 with respect to milk and dairy  
21 products shall remain in effect. The Secretary shall conduct  
22 the referendum, prescribing such rules and regulations as  
23 may be necessary. Only milk producers shall be eligible to



- 1 vote. Any milk producer shall have only one vote and  
 2 shall vote as an individual, rather than as a business entity.  
 3 The ballot shall be in the following form:

---

“UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICIAL BALLOT

NATIONAL REFERENDUM OF MILK PRODUCERS

---

Mark this square if you favor—

- Establishment of a dairy income protection program, utilizing  
 deficiency payments, compliance deposits, and marketing quotas  
☐ based on 90 per centum of the parity equivalent price, in addition  
 to Government purchases, storage and diversion as provided in  
 the Agricultural Act of 1958.
- 

Mark this square if you favor—

- Continuation of price support utilizing Government purchases,  
☐ storage and diversion with support at 75 to 90 per centum of the  
 parity equivalent price, as provided by section 201 (c) of the  
 Agricultural Act of 1949.
- 

- 4 “The price support operations of the Secretary under  
 5 subsection 201 (c) of this Act with respect to milk and  
 6 dairy products shall be suspended after the first six months  
 7 during which this Act shall be in effect, and remain sus-  
 8 pended during any subsequent marketing year during which  
 9 this Act shall be in effect.

10 “FEDERAL DAIRY BOARD

- 11 “(7) There is created in the Department to make the  
 12 determinations and perform the functions provided in this  
 13 subsection, a Federal Dairy Board consisting of fifteen mem-  
 14 bers to be appointed by the President after receiving nomi-  
 15 nations from milk producers as provided herein. Only per-

1 sons who are milk producers shall be eligible to serve on  
2 the Board.

3 “(A) In order to secure appropriate regional repre-  
4 sentation on the Board, the United States shall be divided  
5 into fifteen Federal dairy districts to be designated by the  
6 Secretary. In designating such districts, the Secretary shall  
7 give consideration to (1) complete geographical representa-  
8 tion of the United States and (2) the designation of dis-  
9 tricts, so that districts will be areas having equal annual sales  
10 of milk and butterfat, as nearly as possible without dividing  
11 any county into two or more districts.

12 “(B) Each Federal dairy district shall be assigned one  
13 place on the Board. The milk producers in each district  
14 shall by ballot select three nominees for the place on the  
15 Board assigned to their district. Each milk producer shall  
16 be entitled to submit one name for nominee for the place  
17 on the Board to be filled from his district. The three candi-  
18 dates receiving the highest number of votes for nominee for  
19 each respective place on the Board shall be nominees for  
20 appointment to such place. The Secretary shall conduct an  
21 election of nominees between January 1 and January 15,  
22 1959, and shall conduct any subsequent elections for the  
23 selection of such nominees, prescribe such rules and regula-  
24 tions as he may consider necessary in the administration of

1 the duties assigned herein, determine all questions involving  
2 the qualifications of such nominees, members of the Board,  
3 or milk producers, resolve all tie votes for such nominees,  
4 and certify such nominees to the President. The decision  
5 of the Secretary in all such matters shall be final. The three  
6 nominees so selected for each place on the Board shall be  
7 received by the President, who shall select one of the three  
8 nominees for appointment to each place on the Board for  
9 which such nominees were selected. In making appoint-  
10 ments to the Board, the President shall give careful consid-  
11 eration to securing an equitable representation of the various  
12 forms in which milk and its products are sold.

13 “(C) Terms of Board members shall expire on June 30,  
14 1962. Board members may be removed for cause or in-  
15 eligibility by the President. Vacancies on the Board may  
16 be filled for the unexpired terms by appointment by the  
17 President, taking into consideration the nominees from which  
18 the original appointment was made, or, in the discretion of  
19 the President, in the manner herein prescribed for the ap-  
20 pointment of members for a regular term. Vacancies on the  
21 Board shall not impair the power of the remaining members  
22 to exercise all the powers of the Board, except that in no  
23 event shall the Board be empowered to act unless eight or  
24 more places on the Board are filled. Each member of the  
25 Board, other than the Secretary or the Secretary's represent-



1   ative, shall receive a per diem of \$50 for each day's attend-  
2   ance at meetings of the Board and while traveling to and  
3   from said meetings, together with actual, necessary travel  
4   subsistence, and other expenses incurred in the discharge of  
5   his official duties without regard to other laws with respect  
6   to allowances which may be made on account of travel and  
7   subsistence expenses of officers and employed personnel of  
8   the United States. The Secretary, or an official of the De-  
9   partment designated by him, shall be an ex officio member  
10  of the Board. He shall meet and confer with the Board but  
11  shall not be entitled to vote.

12       “(D) The Board shall meet as soon as practicable fol-  
13  lowing their initial appointment, and thereafter, annually  
14  on the second Monday in December and at other times upon  
15  the call of the Chairman. In addition, special meetings of  
16  the Board may be called at any time by a majority of the  
17  members of the Board in office, or by the Secretary. The  
18  Board shall meet at least once in each calendar quarter of  
19  each year.

20       “(E) The Chairman of the Board shall be selected by  
21  the Board. He shall hold office for a term of one calendar  
22  year and until his successor shall have been selected and  
23  shall have taken office. Vacancies in the office of the Chair-  
24  man of the Board shall be filled for the unexpired term by  
25  the Board

1       “(F) A majority of the members of the Board in office  
2 shall constitute a quorum, and action may be taken by a  
3 majority vote of those present at any regular or special  
4 meeting at which a quorum is present. The findings and  
5 determinations of the Board made under the authority of this  
6 section shall be final and conclusive. The Board may adopt,  
7 alter, and use an official seal which shall be judicially  
8 noticed. It may adopt rules and regulations governing the  
9 manner in which its business may be conducted and its  
10 powers may be exercised.

11       “(G) The Federal Dairy Board is directed, in addition  
12 to its other duties, to cause to be made a comprehensive  
13 study of the production and marketing of manufacturing  
14 milk, including producers’ costs of production, prices received  
15 by farmers, areas of production, the relationship between  
16 changes in the farm price of butterfat and milk for manu-  
17 facturing and changes in the volume of market supply of  
18 each commodity, the relationship between changes in na-  
19 tional income and changes in the volume of consumption of  
20 manufactured dairy products, marketing and processing  
21 spreads, relationship between prices received by farmers for  
22 milk used for fluid consumption and that used for manufactur-  
23 ing, returns to milk producers on capital investment and  
24 labor relative to other farmers and other segments of the na-  
25 tional economy, and trends in these factors; and shall submit

1 to Congress not later than January 3, 1961, a detailed report  
2 thereon with recommendations for legislation related to the  
3 protection of producers' returns on and market supply man-  
4 agement of butterfat and milk for manufacturing, including  
5 programs to be operated and financed by diarmen, covering  
6 the probable costs and effects of the proposals recommended  
7 and the legislation required to put the proposal into effect.  
8 The Federal Dairy Board may conduct such hearings and  
9 receive such statements and briefs in connection with such  
10 study as it deems appropriate.

11 " (H) The Secretary is directed to make available to the  
12 Federal Dairy Board the services of such of the facilities and  
13 personnel of the Department of Agriculture as it may require  
14 for the appropriate conduct of its duties."

15 ANNOUNCEMENT OF SUPPORT LEVEL

16 SEC. 602: Section 406 of the Agricultural Act of 1949,  
17 as amended, is amended by adding at the end thereof the  
18 following new sentence: "In announcing the price support  
19 level for milk and butterfat, the Secretary shall announce a  
20 corresponding support price for manufacturing milk contain-  
21 ing 3.5 per centum milk fat."

22 CERTIFICATION THAT SUPPORT PRICE WAS PAID TO

23 PRODUCER

24 SEC. 603. The second sentence of subsection (c) of sec-  
25 tion 201 of the Agricultural Act of 1949, as amended, is



1 amended to read as follows: "Such price support shall be  
2 provided through loans on, or purchases of, milk and the  
3 products of milk and butterfat and the Secretary shall require  
4 of the vendor of any such products purchased under this  
5 section a certification that producers were paid the price  
6 support in effect at the time of purchase for the milk or  
7 butterfat used in the products purchased."

8                   EXTEND SCHOOL MILK PROGRAM

9       SEC. 604. The last sentence of section 201 (c) of the  
10 Agricultural Act of 1949, as amended (7 U. S. C. 1446), is  
11 amended by striking out the word "two" and by striking out  
12 "1958" and inserting in lieu thereof "1961".

13                   EXTEND VETERANS AND ARMED SERVICES MILK PROGRAM

14       SEC. 605. The first sentence of section 202 (a) of the  
15 Agricultural Act of 1949, as amended (7 U. S. C. 1446a),  
16 is amended by striking out "1958" and inserting in lieu  
17 thereof "1961".

18       SEC. 606. Subsection (b) of section 202 of the Agricul-  
19 tural Act of 1949 (7 U. S. C. 1446a) is amended by strik-  
20 ing out "1958" and inserting in lieu thereof "1961", by  
21 striking out "of the Army, Navy, or Air Force, and as a  
22 part of the ration" and inserting in lieu thereof "(1) of the  
23 Army, Navy, Air Force, or Coast Guard, (2)", and by  
24 inserting before the period at the end of the first sentence

1 of such subsection the following: “, and (3) of cadets and  
2 midshipmen at, and other personnel assigned to, the United  
3 States Merchant Marine Academy”.

#### 4 PRICE SUPPORT DETERMINATION

5 SEC. 607. Section 201 (c) of the Agricultural Act of  
6 1949, as amended, is amended by striking out of the first  
7 sentence thereof the words “necessary in order to assure an  
8 adequate supply”.

#### 9 TITLE VII—FEED GRAINS

10 SEC. 701. This title may be cited as the “Feed Grains  
11 Act of 1958”.

#### 12 SUSPENSION OF COMMERCIAL CORN AREA AND CORN

#### 13 ALLOTMENTS

14 SEC. 702. The provisions of sections 321, 327, 328 and  
15 329 of the Agricultural Adjustment Act of 1938, as  
16 amended, shall be inoperative with respect to the crop years  
17 1959, 1960 and 1961.

#### 18 SUBTITLE I—NATIONAL FEED GRAIN BASE ACREAGE;

#### 19 FARM FEED GRAIN BASE ACREAGE: ACREAGE AL- 20 LOTMENTS: FARM CONSERVATION BASE

21 SEC. 703. The designation of part II of subtitle B of title  
22 III of the Agricultural Adjustment Act of 1938, as amended,  
23 is redesignated as “Part II—Acreage Allotments and Mar-  
24 keting Quotas—Feed Grains”.

1        SEC. 704. The Agricultural Adjustment Act of 1938,  
2    as amended, is amended by adding a new section 322 as  
3    follows:

4 "NATIONAL AND FARM FEED GRAIN BASES; ACREAGE  
5 ALLOTMENTS; CONSERVATION BASE

6 "SEC. 322. (a) Prior to December 1, 1958, the Secre-  
7 tary shall establish for each farm producing feed grains in the  
8 United States a farm feed grain base for 1959, 1960, and  
9 1961. The national feed grain base shall be one hundred and  
10 two million acres. Such national feed grain base shall be ap-  
11 portioned by the Secretary among the States on the basis of  
12 the acreage of feed grains (planted and diverted) in such  
13 States during the years 1955, 1956, and 1957, with adjust-  
14 ments for abnormal weather conditions in the local areas  
15 involved and for trends in acreage during such period and for  
16 the promotion of soil-conservation practices. The feed grain  
17 base for each State shall be apportioned by the Secretary  
18 among the counties on the basis of the acreage of feed grains  
19 (planted and diverted) in such counties during the years  
20 1955, 1956, and 1957, with adjustments for abnormal  
21 weather conditions in the local areas involved and for trends  
22 in acreage during such period and for the promotion of soil-  
23 conservation practices. The feed grain base for the county  
24 shall be apportioned by the Secretary, through the local com-



mittees, among the farms within the county on the basis of past acreage of feed grains (planted and diverted), tillable acreage, crop rotation practices, type of soil, and topography, with adjustments for abnormal weather conditions in the local areas involved and for the promotion of soil-conservation practices.

“(b) Prior to December 1, 1958, the Secretary shall establish for each farm producing feed grains in the United States a conservation base included in which shall be the average of all farm acreage utilized during the years 1955, 1956, and 1957 for farm buildings, private roads, woodlands, permanent pasture, marshland, and all acreage not in cultivation, but not including tame hay acreage or rotational pasture.

“(c) For each of the three crop years commencing January 1, 1959, the Secretary shall determine the national feed grain acreage allotment which shall be the acreage required to keep feed grain production in balance with domestic consumption and exports. For 1959 the national feed grain acreage allotment shall be eighty-one million six hundred thousand acres; for 1960 and 1961 the national feed grain acreage allotment shall be not less than eighty-one million six hundred thousand acres nor more than ninety-one million eight hundred thousand acres. The national feed

1 grain acreage allotment shall be announced by the Secretary  
2 not later than November 1 preceding the year for which the  
3 allotment is determined.

4 “(d) The Secretary through the State and local com-  
5 mittees shall apportion the national feed grain acreage allot-  
6 ment among farms on the basis of the average acreage planted  
7 to feed grains and diverted from the production of feed grains  
8 under agricultural adjustment and conservation programs dur-  
9 ing the years 1955, 1956, and 1957, and on the basis of  
10 tillable acreage, crop-rotation practices, type of soil, and  
11 topography, with adjustments for abnormal weather condi-  
12 tions in the local areas involved and for the promotion of  
13 soil conservation practices.

14 “(e) The farm feed grain allotment for any farm for  
15 1959, 1960, and 1961 shall be the allotment as determined  
16 in accordance with the foregoing provisions less the number  
17 of acres, if any, by which the producers on the farm agree,  
18 pursuant to the provisions of the Feed Grains Act of 1958, to  
19 reduce their acreage below their allotment as determined  
20 by the foregoing provisions: *Provided*, That for 1959, 1960,  
21 and 1961 the ratio of the farm feed grain allotment to the  
22 farm feed grain base shall be the same as the ratio of the  
23 national feed grain allotment to the national feed grain base.

24 “(f) The Secretary through the State and local com-  
25 mittees shall apportion not to exceed one hundred thousand

1 acres among farms on which feed grains have not been pro-  
2 duced during any of the years 1955, 1956, and 1957 on  
3 the basis of tillable acres on the farm, type of soil, topography,  
4 taking into consideration the acreage devoted to feed grain  
5 production on adjacent farms during the years 1955, 1956,  
6 and 1957. The acreage so apportioned shall be part of  
7 the national acreage allotment of feed grains.”

#### 8 DEFINITIONS

9 SEC. 705. Section 301 of the Agricultural Adjustment  
10 Act of 1938, as amended, is amended—

11 (a) by amending subsection (a), paragraph (9),  
12 to read as follows:

13 “(9) The term ‘corn’ means field corn raised for grain,  
14 forage, or silage.”;

15 (b) by adding at the end of subsection (a) two  
16 new paragraphs as follows:

17 “(10) The term ‘sorghums’ means all sorghums raised  
18 for grain, forage, or silage.”;

19 “(11) The term ‘feed grains’ means the commodities  
20 corn and sorghum.”;

21 (c) by amending subsection (b), paragraph (1),  
22 subparagraph (A), to read as follows:

23 “(A) ‘Actual production’ as applied to any acreage of  
24 feed grains means the actual average yield for the farm times  
25 such number of acres. For the purposes of determining



1 actual production the 'actual yield' of any acreage of feed  
2 grains shall be the actual average yield of the acreage of  
3 feed grains on the farm.”;

4 (d) by striking out in subsection (b), paragraph  
5 (6), subparagraph (A), the word “corn” wherever it  
6 appears and inserting in lieu thereof the words “feed  
7 grains”;

8 (e) by adding at the end of subsection (b), para-  
9 graph (7), the language “Feed grains, July 1–June  
10 30.”;

11 (f) by striking out in subsection (b), paragraph  
12 (9), the word “corn” and inserting in lieu thereof the  
13 words “feed grains”; and

14 (g) by adding at the end of subsection (b), para-  
15 graph (13), a new subparagraph (H) as follows:

16 “(H) ‘Normal yield’ for any farm in the case of feed  
17 grains shall be the average yield per acre of feed grains for  
18 the farm during the calendar years 1955, 1956, and 1957,  
19 adjusted for abnormal weather conditions in the local areas  
20 involved. If for any such year the data are not available or  
21 there is no actual yield then the normal yield for the farm  
22 shall be appraised in accordance with regulations issued by

1 the Secretary, taking into consideration abnormal weather  
2 conditions as aforesaid, the yield obtained on adjacent farms  
3 during such year and the yield in years for which the data  
4 are available. Where both corn and sorghums have been  
5 produced on the same farm during such three-year period  
6 a separate normal yield shall be established for corn and for  
7 sorghums on the basis of the applicable factors in the pre-  
8 ceding sentences of this subparagraph and the normal yield  
9 for the farm shall be determined by computing the average  
10 of the corn and sorghums yields so determined weighted by  
11 the actual acreages of corn and sorghums on the farm for  
12 the year for which the normal yield is determined. Where  
13 there is no acreage of feed grains on the farm for the year  
14 for which the yield is determined, the normal yield for  
15 such a farm shall be the average of the normal yields for  
16 corn and sorghums weighted by the acreages which it is  
17 determined by the county committee were contributed to  
18 the farm acreage allotment of feed grains for such year by  
19 the production in prior years of corn and sorghums.”

20 SEC. 706. The Agricultural Adjustment Act of 1938,  
21 as amended, is amended—

22 (a) by striking out in section 361 the word “corn”

1 and inserting in lieu thereof the words "feed grains";

2 (b) by striking out the word "corn" wherever it  
3 appears and by inserting in lieu thereof in section 371,  
4 subsections (a) and (b) the words "feed grains,";

5 (c) by adding in section 372, subsection (a), im-  
6 mediately following the word "cotton," the words "feed  
7 grains,";

8 (d) by striking out in section 373, subsections (a)  
9 and (b), the word "corn," wherever it appears, and  
10 inserting in lieu thereof the words "feed grains,";

11 (e) by striking out in section 374, subsection (a),  
12 the word "corn," and inserting in lieu thereof the  
13 words "feed grains,"; and

14 (f) by adding in section 374, subsection (c),  
15 immediately following the word "commodity", the  
16 words "or feed grains".

17 (g) by striking out in section 375, subsection (a),  
18 the word "corn" and inserting in lieu thereof the words  
19 "feed grains".

20 SEC. 707. The Agricultural Adjustment Act of 1938 as  
21 amended, is amended by adding a new section 323 as  
22 follows:



1           “AMOUNT OF FARM MARKETING QUOTAS

2           “SEC. 323. The farm marketing quota for any crop of  
3 feed grains shall be the actual production of feed grains on the  
4 farm less the normal production of the acreage planted to  
5 feed grains on the farm in excess of the farm acreage allot-  
6 ment. The normal production from such excess acreage shall  
7 be known as the ‘farm marketing excess’: *Provided*, That  
8 the farm marketing excess shall not be larger than the amount  
9 by which the actual production of feed grains on the farm  
10 exceeds the normal production of the farm acreage allotment  
11 if the producer establishes such actual production to the satis-  
12 faction of the Secretary.”

13          SEC. 708. The Agricultural Adjustment Act of 1938, as  
14 amended, is amended by adding a new section 324 as  
15 follows:

16                           “PENALTIES

17          “SEC. 324. (a) Whenever farm marketing quotas are  
18 in effect with respect to any crop of feed grains, the producer  
19 shall be subject to a penalty on the farm marketing excess  
20 at the rate of \$1 per bushel.

21          “(b) The farm marketing excess of feed grains shall be  
22 regarded as available for marketing and the amount of pen-

1 alty shall be computed upon the normal production of the  
2 acreage on the farm planted to feed grains in excess of the  
3 farm acreage allotment. If a downward adjustment in the  
4 amount of the farm marketing excess is made pursuant to the  
5 proviso in section 323, the difference between the amount of  
6 the penalty computed upon the farm marketing excess before  
7 such adjustment and as computed upon the adjusted market-  
8 ing excess shall be returned to or allowed the producer.

9 “(c) The person liable for payment or collection of  
10 the penalty shall be liable also for interest thereon at the  
11 rate of 6 per centum per annum from the date the penalty  
12 becomes due until the date of payment of such penalty.

13 “(d) Until the penalty on the farm marketing excess  
14 is paid, all feed grain produced on the farm and marketed  
15 by the producer shall be subject to the penalty provided  
16 by this section and a lien on the entire crop of feed grains  
17 produced on the farm shall be in effect in favor of the United  
18 States.

19 “(e) A farm marketing quota on feed grains shall not  
20 be applicable to any farm on which the acreage planted  
21 to feed grains does not exceed the highest acreage planted

1 to feed grains during the years 1955, 1956, and 1957, but  
2 not in excess of thirty acres unless the feed grain producers  
3 on the farm apply to reduce the acreage of feed grains on  
4 the farm pursuant to the provisions of the Feed Grains Act  
5 of 1958.

6 “(f) Producers who knowingly and falsely certify as to  
7 their eligibility to vote in the referendum conducted pursu-  
8 ant to subtitle II of the Feed Grains Act of 1958 shall be  
9 guilty of a misdemeanor and upon conviction shall be fined  
10 not less than \$100 nor more than \$500.”

11 SEC. 709. This subtitle shall become inoperative if more  
12 than 50 per centum of the producers voting on part I of the  
13 ballot in the referendum provided for in subtitle II of this  
14 title favor no program on feed grains for the years 1959,  
15 1960, and 1961, or if more than 50 per centum of the pro-  
16 ducers voting on part II of the ballot in such referendum  
17 favor the program provided for in subtitle IV of this title.

18 SUBTITLE II—NATIONAL REFERENDUM

19 SEC. 710. Not later than December 15, 1958, the  
20 Secretary shall conduct a referendum of producers on farms



1 for which a 1959 feed grain base of more than thirty acres  
2 has been established.

3 Producers on farms for which a feed grain base of  
4 thirty acres or more has been established by the Secretary  
5 pursuant to this title shall be eligible to vote in the refer-  
6 endum conducted pursuant to this subtitle: *Provided*, That  
7 producers of any one of the crops of oats, or rye, or barley  
8 shall be eligible to vote in the referendum conducted pursuant  
9 to this subtitle if such producers certify in writing to the  
10 Secretary that they have devoted an average of thirty acres  
11 during 1955, 1956, and 1957 to the production of any one  
12 of the crops of oats, or rye, or barley. Such referendum shall  
13 be held to determine for the 1959, 1960, and 1961 crops  
14 of feed grains (1) whether such producers favor any price  
15 support program for feed grains, and (2) whether they favor  
16 the price support program as provided for in subtitle III  
17 hereof or whether they favor the price support program pro-  
18 vided for in subtitle IV hereof. If more than 50 per centum  
19 of the eligible producers voting in such referendum favor  
20 a price support program for feed grains, and if more than

1 50 per centum of such eligible producers favor the program  
2 set forth in subtitle III of this title, subtitle III shall  
3 become operative. If more than 50 per centum of the  
4 eligible producers voting in such referendum favor a price  
5 support program for feed grains and if more than 50 per  
6 centum of such eligible producers favor the program set  
7 forth in subtitle IV of this title, subtitle IV shall become  
8 operative.

9 SEC. 711. The following form of ballot shall be used in  
10 conducting such referendum:





## FEED GRAIN REFERENDUM BALLOT

REGARDING CORN AND GRAIN SORGHUMS PROGRAM FOR 1959, 1960, AND  
1961

### PART I

Public Law —, "The Feed Grains Act of 1958," provides that the United States Department of Agriculture conduct a referendum among the eligible producers of corn and grain sorghums to determine whether a majority of the producers of such grains voting in the referendum favor a price support program for these grains as set out in part II of this ballot.

Vote by checking one or the other :

- (1) I vote for "A program of price support." ☐  
(2) I vote for "No program." ☐

If a majority of those voting on part I have voted in favor of "no program" as submitted above, the vote on part II shall be of no effect.

If a majority of those voting on part I have voted in favor of "a program of price support," as submitted above, the Secretary shall carry out the program below which receives a majority of the votes cast on part II.

(VOTE IN PART II REGARDLESS OF HOW YOU VOTED IN PART I IF YOU  
SO DESIRE)

### PART II

Public Law — also requires that in the referendum a determination be made as to which of the programs indicated below is favored by a majority of the producers voting on this part II.

Vote by checking one or the other :

- (1) I vote for "A program" as established by subtitle III of the Act. ☐  
(2) I vote for "A program" as established by subtitle IV of the Act. ☐



1        SEC. 712. If more than 50 per centum of the producers  
2        voting on part I of the ballot in the referendum favor no  
3        price support program for feed grains, no acreage allotments  
4        or marketing quotas shall be in effect for the 1959, 1960, and  
5        1961 crops of feed grains and no price support shall be made  
6        available for such crops of feed grains.

7        SUBTITLE III—ACREAGE CONTROLS, PAYMENTS TO PRO-  
8        DUCERS, AND PRICE SUPPORT AT 80 PER CENTUM OF  
9        PARITY

10       SEC. 713. If more than 50 per centum of the producers  
11       voting on part I of the ballot in the referendum held pur-  
12       suant to subtitle II vote in favor of a price support pro-  
13       gram for feed grains and more than 50 per centum of the  
14       producers voting on part II of the ballot in such referendum  
15       favor the price support program as provided in this subtitle—

16                (a) acreage allotments and marketing quotas shall  
17       be in effect for feed grains as provided for in subtitle I  
18       hereof;

19                (b) the producers on a farm for which the 1959,  
20       1960, and 1961 feed grain allotment computed without  
21       regard to the provisions of section 322 (e) of the Agri-  
22       cultural Adjustment Act of 1938, as amended (herein-



1 after referred to as the "computed acreage allotment")  
2 is thirty acres or more may, at their election, reduce their  
3 acreage of feed grains in an amount not to exceed 50 per  
4 centum of their farm feed grain base and receive compen-  
5 sation therefor as hereinafter provided. Also the pro-  
6 ducers on a farm for which the 1959, 1960, and 1961  
7 feed grain computed acreage allotment is less than thirty  
8 acres may, at their election, apply to reduce their acre-  
9 age of feed grains below their farm feed grain base by  
10 not less than 20 per centum up to 100 per centum of  
11 their farm feed base and receive compensation for such  
12 reduction, in which event the provisions of subtitle I  
13 hereof shall apply to such farm as fully as if such farm  
14 had a computed acreage allotment of more than thirty  
15 acres;

16 (c) producers on a farm for which the 1959, 1960,  
17 and 1961 computed acreage allotment is thirty acres or  
18 more and the producers on a farm for which the 1959,  
19 1960, and 1961 computed acreage allotment is less than  
20 thirty acres who elect to reduce their acreage of feed  
21 grains pursuant to subsection (b) above, shall be com-  
22 pensated for reducing their 1959, 1960, and 1961 acre-  
23 age of feed grains below their farm feed grain base and  
24 for diverting the same acres to the farm conservation  
25 base. To be eligible for such compensation the producer

1       (1) shall not exceed his farm feed grain allotment, (2)  
2       shall increase his farm conservation base by an acreage  
3       equal to the number of acres by which he reduces his  
4       feed grains below his farm feed grain base, (3) shall  
5       carry out a conservation practice, approved by the  
6       Secretary, on an acreage equal to the number of acres  
7       by which he reduces his feed grains below his farm feed  
8       grain base, and (4) shall neither harvest nor pasture any  
9       acreage so diverted: *Provided*, That nothing in this title  
10      shall be construed to impair the eligibility of any acres  
11      diverted under this title for payments under the Agri-  
12      cultural Conservation Payment Program. The amount  
13      of such compensation shall be determined by multiply-  
14      ing the number of acres of feed grains diverted from the  
15      farm feed grain base to the farm conservtion base pur-  
16      suant to this title by 66 per centum of the normal yield  
17      of feed grains established for the farm by 80 per centum  
18      of the parity price of corn. Such compensation shall be  
19      paid as follows:

20           (1) for 1959 not more than 50 per centum, and for  
21      1960 and 1961 not less than 50 per centum of such com-  
22      pensation shall be paid through negotiable certificates,  
23      and which the Commodity Credit Corporation shall re-  
24      deem in corn, sorghum, oats, rye, or barley in accordance  
25      with regulations prescribed by the Secretary: *Provided*,

1        That if the Commodity Credit Corporation does not have  
2        sufficient stocks of such grains or if it is not practicable  
3        to redeem any such certificates in such grains, the cer-  
4        tificates shall be redeemed in cash, and

5            (2) the remainder of such compensation shall be  
6        paid through negotiable certificates redeemable in cash.

7        Notwithstanding any provision hereof the total amount  
8        of compensation shall not exceed the equivalent of \$75  
9        per acre.

10           The facts constituting the basis for any compensation  
11        or the amount thereof authorized to be made under this  
12        section when officially determined in conformity with  
13        applicable regulations prescribed by the Secretary shall  
14        be final and conclusive. The Secretary shall prescribe  
15        such regulations as he determines necessary to carry out  
16        the provisions of this section;

17           (d) the level of price support for the 1959, 1960,  
18        and 1961 crop of feed grains shall be 80 per centum of  
19        parity;

20           (e) For such period price supports shall be made  
21        available for oats, rye, and barley at such level as the  
22        Secretary determines is fair and reasonable in relation  
23        to the level at which price support is made available  
24        for corn, taking into consideration the feeding value of  
25        such commodity in relation to corn, the normal price



relationship between such commodity and corn, the location and storability of the commodity, and other relevant factors.

(f) no producer shall be eligible for price support on any commodity for any year in which the planted acreage of feed grains on the farm exceeds the farm feed grain allotment, except that this provision shall not apply in the case of any commodity with respect to which the Secretary determines is impracticable to apply such provision. For the purpose of this subsection, a producer shall not be deemed to have exceeded his farm feed grain allotment unless such producer knowingly exceeded such allotment.

#### SUBTITLE IV—PRICE SUPPORTS BASED ON PREVIOUS WEIGHTED THREE-YEAR MARKET

SEC. 714. If more than 50 per centum of the producers voting on part I of the ballot in the referendum favor a price support program for feed grains, and more than 50 per centum of the producers voting on part II of the ballot in such referendum favor the program as provided for in this subtitle—

(a) For the 1959, 1960, and 1961 crops of corn, the level of price support shall be 90 per centum of the average prices during the three calendar years immediately preceding the calendar year in which the

1 marketing year for such crop begins. The average shall  
2 be determined upon the basis of the prices received by  
3 farmers.

4 (b) For 1959, 1960, and 1961, price support shall  
5 be made available for oats, rye, barley, and grain sor-  
6 ghums at such level as the Secretary of Agriculture de-  
7 termines is fair and reasonable in relation to the level  
8 at which price support is made available for corn, taking  
9 into consideration the feeding value of such commodity  
10 in relation to corn, the normal price relationship between  
11 such commodity and corn, the location and storability  
12 of the commodity, and other relevant factors.

#### 13 SUBTITLE V—GENERAL PROVISIONS

14 SEC. 715. If any provision of this title is declared un-  
15 constitutional, or the applicability thereof to any person,  
16 circumstance, or commodity is held invalid, the validity of  
17 the remainder of this title and the applicability thereof to  
18 other persons, circumstances, or commodities shall not be  
19 affected thereby.

20 SEC. 716. The Secretary is authorized to utilize the fa-  
21 cilities, funds, services, and authorities of the Commodity  
22 Credit Corporation in carrying out the provisions of this title.

## 1 TITLE VIII—MISCELLANEOUS

2 SEC. 801. The Agricultural Adjustment Act of 1938, as  
3 amended, is amended by adding after section 377 the follow-  
4 ing new section:

5 "SEC. 378. (a) Notwithstanding any other provision  
6 of this Act, the allotment determined for any commodity  
7 for any land from which the owner is displaced because of  
8 acquisition of the land for any purpose by any Federal,  
9 State, or other agency having the right of eminent domain  
10 shall be place in an allotment pool and shall be available  
11 only for use in providing allotments for other farms owned  
12 by the owner so displaced. Upon application to the county  
13 committee, within three years after the date of such dis-  
14 placement, or three years after the enactment of this Act,  
15 whichever period is longer, any owner so displaced shall be  
16 entitled to have established for other farms owned by him  
17 allotments which are comparable with allotments deter-  
18 mined for other farms in the same area which are similar  
19 except for the past acreage of the commodity, taking into  
20 consideration the land, labor, and equipment available for  
21 the production of the commodity, crop-rotation practices,  
22 and the soil and other physical factors affecting the produc-  
23 tion of the commodity: *Provided*, That the acreage used  
24 to establish or increase the allotments for such farms shall  
25 be transferred from the pool and shall not exceed the allot-



1 ment most recently established for the farm acquired from  
2 the applicant and placed in the pool. During the period  
3 of eligibility for the making of allotments under this section  
4 for a displaced owner, acreage allotments for the farm  
5 from which the owner was so displaced shall be established  
6 in accordance with the procedure applicable to other farms,  
7 and such allotments shall be considered to have been fully  
8 planted. After such allotment is made under this section,  
9 the proportionate part, or all, as the case may be, of the  
10 past acreage used in establishing the allotment most recently  
11 placed in the pool for the farm from which the owner was  
12 so displaced shall be transferred to and considered for the  
13 purposes of future State, county, and farm acreage allot-  
14 ments to have been planted on the farm to which allotment  
15 is made under this section. Except where paragraph (c)  
16 requires the transfer of allotment to another portion of the  
17 same farm, for the purpose of this section (1) that part of  
18 any farm from which the owner is so displaced and that  
19 part from which he is not so displaced shall be considered  
20 as separate farms; and (2) an owner who voluntarily  
21 relinquishes possession of the land subsequent to its acquisi-  
22 tion by an agency having the right of eminent domain shall  
23 be considered as having been displaced because of such  
24 acquisition.

25 . . . (b) The provisions of this section shall not be ap-

1 plicable if (1) there is any marketing quota penalty due  
2 with respect to the marketing of the commodity from the  
3 farm acquired by the Federal, State, or other agency or  
4 by the owner of the farm; (2) any of the commodity pro-  
5 duced on such farm has not been accounted for as required  
6 by the Secretary; or (3) the allotment next established  
7 for the farm acquired by the Federal, State, or other agency  
8 would have been reduced because of false or improper  
9 identification of the commodity produced on or marketed  
10 from such farm or due to a false acreage report.

11 “(c) This section shall not be applicable, in the case of  
12 cotton, tobacco, and peanuts, to any farm from which the  
13 owner was displaced prior to 1950, in the case of wheat and  
14 corn, to any farm from which the owner was displaced prior  
15 to 1954, and in the case of rice, to any farm from which the  
16 owner was displaced prior to 1955. In any case where the  
17 cropland acquired for nonfarming purposes from an owner  
18 by an agency having the right of eminent domain represents  
19 less than 15 per centum of the total cropland on the farm,  
20 the allotment attributable to that portion of the farm so  
21 acquired shall be transferred to that portion of the farm not so  
22 acquired.”

23 “(d) Sections 313 (h), 334 (d), 344 (h), and 358  
24 (h) of the Agricultural Adjustment Act of 1938, as  
25 amended, are repealed, but any transfer or reassignment of

1 allotment heretofore made under the provisions of these sec-  
2 tions shall remain in effect, and any displaced farm owner  
3 for whom an allotment has been established under such re-  
4 pealed sections shall not be eligible for additional allotment  
5 under subsection (a) of this section because of such displace-  
6 ment."

7       SEC. 802. Section 405 of the Agricultural Act of 1949  
8 is amended by adding at the end thereof the following:  
9 "There is authorized to be included in the terms and condi-  
10 tions of any such nonrecourse loan a provision whereby on  
11 and after the maturity of the loan or any extension thereof  
12 Commodity Credit Corporation shall have the right to ac-  
13 quire title to the unredeemed collateral without obligation to  
14 pay for any market value which such collateral may have in  
15 excess of the loan indebtedness."





[Report No. 1939]

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# A BILL

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To extend and amend the Agricultural Trade Development and Assistance Act of 1954; to amend the Agricultural Adjustment Act of 1938, the Agricultural Act of 1949, and the National Wool Act of 1954 with respect to acreage allotment and price support programs for rice, cotton, wool, wheat, milk, and feed grains and for other purposes.

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By Mr. COOLEY

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JUNE 16, 1958

Referred to the Committee on Agriculture

JUNE 19, 1958

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued June 26, 1958  
For actions of June 25, 1958  
85th-2d, No. 105

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HIGHLIGHTS: House Rules Committee cleared farm bill. To be debated today. Senate committee ordered reported bill for increased industrial uses of farm products. Senate committee reported measure to extend special milk program for 60 days. House committee ordered reported food stamp bill. Sen. Humphrey spoke against Senate Committee farm bill. Both Houses adopted conference report on State-Justice appropriation bill. Rep. Quie introduced and discussed measure to extend special milk program for 90 days.

## HOUSE

1. FARM PROGRAM. The Rules Committee granted an open rule with 5 hours of debate and waiving points of order against H. R. 12954, the omnibus farm bill. Rep. McCormack announced that debate on the bill will begin today, June 26. pp. ~~1106~~, D594, 11088
2. FOOD STAMPS. The Agriculture Committee ordered reported H. R. 13054, to direct the Secretary to establish a food stamp plan. p. D593
3. APPROPRIATIONS. Agreed to the conference report on H. R. 12428, the State-Justice appropriation bill for 1959, and acted on amendments in disagreement. p. 11065  
Conferees were appointed on H. R. 11645, the Labor-HEW appropriation bill for 1959. Senate conferees were appointed June 20. p. 11063

4. **TRANSPORTATION.** The Rules Committee granted an open rule with 2 hours debate on H. R. 12832, to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system. pp. 11105, D594  
Rep. Rogers, Fla., urged adoption of a Senate amendment to H. R. 12695, the excise-tax rate extension bill, which would repeal the tax on transportation. p. 11064
5. **SMALL BUSINESS.** The Banking and Currency Committee ordered reported with amendment S. 3651, to make equity capital and long-term credit more readily available for small-business concerns. p. D593  
Rep. Derounian inserted a constituents' letter commending the work of the Small Business Administration. pp. 11100-01
6. **PROPERTY.** The Government Operations Committee ordered reported H. R. 12165, to extend for 2 years the period for which payments in lieu of taxes may be made on certain real property transferred by RFC to other Government agencies. p. D593
7. **PUBLIC WORKS.** Agreed to the conference report on S. 3910, the rivers and harbors, and flood control authorization bill. The Senate had agreed to the report earlier. This bill will now be sent to the President. pp. 11094-96, 11022-25
8. **RECLAMATION.** The "Daily Digest" states as follows: "Committee on Interior and Insular Affairs: Considered and began reading for amendment H. R. 594, to authorize the construction, operation, and maintenance of the Fryingpan-Arkansas project, Colorado. Thereafter rejected by a vote of 15-5 a motion to recommit the bill to Subcommittee on Irrigation and Reclamation. A point of order was then made and sustained of no quorum and meeting was adjourned." p. D593
9. **BUILDING SPACE.** Agreed to a concurrent resolution, S. Con. Res. 95, authorizing the correction of an error in the enrollment of S. 2533, to authorize GSA to lease space for Federal agencies for periods not exceeding 10 years. p. 11097
10. **NATURAL RESOURCES.** Concurred in the Senate amendments to H. R. 8054, to provide for the leasing of oil and gas deposits in lands beneath nontidal navigable waters in Alaska. This bill will now be sent to the President. pp. 11097-11100
11. **WHEAT.** Rep. Mumma inserted a newspaper article, "Wheatgrowers Favor Quotas for 1959 - Lebanon County Farmers, in Light Ballot, Vote No on Controls Issue." p. 11101
12. **WILDLIFE.** Both Houses received from Interior a proposed bill "to revise the Alaska game law and to provide for the protection of marine mammals on and off the coast of Alaska"; to Interior and Insular Affairs Committees. pp. 10996, 11105.
13. **LEGISLATIVE PROGRAM.** Rep. McCormack announced that after consideration of the farm bill, the omnibus transportation bill, H. R. 12832, will be considered under suspension of the rules. He also announced that H. R. 4504, to improve marketing facilities for perishable commodities, has been taken off the program and will not be considered this week. p. 11088



## CONSIDERATION OF H. R. 12954

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JUNE 25, 1958.—Referred to the House Calendar and ordered to be printed

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Mr. DELANEY, from the Committee on Rules, submitted the following

### REPORT

[To accompany H. Res. 609]

The Committee on Rules, having had under consideration House Resolution 609, report the same to the House with the recommendation that the resolution do pass.





## House Calendar No. 233

85TH CONGRESS  
2D SESSION

# H. RES. 609

[Report No. 2008]

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### IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 1958

Mr. DELANEY, from the Committee on Rules, reported the following resolution;  
which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1       *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself into  
3 the Committee of the Whole House on the State of the  
4 Union for the consideration of the bill (H. R. 12954) to  
5 extend and amend the Agricultural Trade Development and  
6 Assistance Act of 1954; to amend the Agricultural Adjust-  
7 ment Act of 1938, the Agricultural Act of 1949, and the  
8 National Wool Act of 1954 with respect to acreage allot-  
9 ment and price support programs for rice, cotton, wool,  
10 wheat, milk, and feed grains; and for other purposes, and  
11 all points of order against said bill are hereby waived.  
12 After general debate, which shall be confined to the bill



1 and continue not to exceed five hours, to be equally divided  
2 and controlled by the chairman and ranking minority mem-  
3 ber of the Committee on Agriculture, the bill shall be read  
4 for amendment under the five-minute rule. It shall be in  
5 order to consider without the intervention of any point of  
6 order any amendment offered by direction of the Committee  
7 on Agriculture. At the conclusion of the consideration of  
8 the bill for amendment, the Committee shall rise and report  
9 the bill to the House with such amendments as may have  
10 been adopted and the previous question shall be considered  
11 as ordered on the bill and amendments thereto to final pas-  
12 sage without intervening motion except one motion to  
13 recommit.



86TH CONGRESS  
2d Session

## H. RES. 609

[Report No. 2008]

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# RESOLUTION

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Providing for the consideration of H. R. 12954, a bill to extend and amend the Agricultural Trade Development and Assistance Act of 1954; to amend the Agricultural Adjustment Act of 1938, the Agricultural Act of 1949, and the National Wool Act of 1954 with respect to acreage allotment and price support programs for rice, cotton, wool, wheat, milk, and feed grains, and for other purposes.

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By Mr. DELANEY

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JUNE 25, 1958

Referred to the House Calendar and ordered to be printed



cleared for the President by House concurrence in Senate amendments thereto.

Pages 11097-11100

**Program for Thursday:** Adjourned at 3:43 p. m. until Thursday, June 26, at 12 o'clock noon, when the House will consider H. R. 12954, the omnibus farm bill (5 hours of debate).

## Committee Meetings

### FOOD STAMP PLAN

*Committee on Agriculture:* In executive session ordered favorably reported to the House H. R. 13054, to direct the Secretary of Agriculture to establish a food stamp plan.

### SMALL BUSINESS INVESTMENT ACT

*Committee on Banking and Currency:* Ordered favorably reported to the House S. 3651 (amended), Small Business Investment Act of 1958.

### D. C. TRANSPORTATION FARES

*Committee on the District of Columbia:* Subcommittee on Public Utilities, Insurance, and Banking held hearing but took no action on H. R. 12332, relating to the regulation of fares of transportation of schoolchildren. Officials of the District of Columbia and representatives of the Capital Transit Co. were heard.

### DEFENSE EDUCATION BILL

*Committee on Education and Labor:* Continued executive consideration of H. R. 12360, national defense education bill, and continue executive sessions tomorrow.

### LABOR PENSION AND BENEFIT PLANS

*Committee on Education and Labor:* Subcommittee on Welfare and Pension Plans received executive testimony from public witnesses on S. 2888, to provide registration, reporting, and disclosure of employee welfare and pension benefit plans. Adjourned subject to call of the Chair.

### GOVERNMENT OPERATIONS MISCELLANY

*Committee on Government Operations:* In executive session approved the following reports entitled "Military Air Transport" and "Procurement of Equipment for Cambodian Highway." Also ordered favorably reported to the House the following bills:

H. R. 12165, to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation to other Government departments;

H. R. 11933, conveyance of Federal interests in certain fissionable materials, Mississippi;

H. R. 12938, conveyance of Federal interest in certain fissionable materials, Florida; and

S. 2833, conveyance of Federal interest in certain fissionable materials, North Carolina.

## COMMITTEE RESOLUTIONS

*Committee on House Administration:* In executive session ordered favorably reported to the House the following bills:

H. Res. 572, authorizing additional expenses for the Committee on Veterans' Affairs;

H. Res. 599, authorizing additional funds for the operation of the Committee on Un-American Activities during calendar year 1958;

H. Res. 601, authorizing amounts for further expenses of the study and investigation authorized by H. Res. 56 (85th Cong.);

H. Res. 567, authorizing the employment of additional personnel, Office of the Clerk of the House;

H. Res. 428, establishing a position of a stock and inventory clerk in the stationery room, Office of the Clerk of the House;

S. Con. Res. 80, to accept from Montana the statue of Charles Marion Russell, to be placed in Statuary Hall; and

S. Con. Res. 81, to place temporarily in the rotunda of the Capitol a statue of Charles Marion Russell, and to hold appropriate ceremonies on said occasion.

### FRYINGPAN-ARKANSAS PROJECT, COLORADO

*Committee on Interior and Insular Affairs:* Considered and began reading for amendment H. R. 594, to authorize the construction, operation, and maintenance of the Fryingpan-Arkansas project, Colorado. Thereafter rejected by a vote of 15-5 a motion to recommit the bill to Subcommittee on Irrigation and Reclamation. A point of order was then made and sustained of no quorum and meeting was adjourned.

### AVIATION

*Committee on Interstate and Foreign Commerce:* Subcommittee on Transportation and Communications continued hearings on H. R. 12616, to create an independent Federal Aviation Agency. Testimony was received from James R. Durfee, Chairman, Civil Aeronautics Board, Louis S. Rothschild, Under Secretary of Commerce, James T. Pyle, Administrator of Civil Aeronautics, CAA, and other witnesses. Hearings continue tomorrow.

### SEC

*Committee on Interstate and Foreign Commerce:* Subcommittee on Legislative Oversight continued hearings with respect to the case of the East Boston Co. Testimony was received from J. Sinclair Armstrong, Assistant Secretary of the Navy, and former Chairman of SEC. Hearings continue tomorrow.

### CIVIL RIGHTS

*Committee on the Judiciary:* Subcommittee No. 5 held hearing on H. R. 10672, and other bills relating to civil rights. Members of Congress heard were Representa-



tives Celler, Keating, O'Hara of Illinois, and Senator Douglas. Hearings continue tomorrow.

#### PRIVATE CLAIMS

*Committee on the Judiciary:* Subcommittee No. 2 held hearing on several private claim bills.

#### FISHERIES AND WILDLIFE

*Committee on Merchant Marine and Fisheries:* Subcommittee on Fisheries and Wildlife ordered favorably reported to the full committee H. R. 10943 (amended), a private bill.

#### SUPERGRADE POSITIONS

*Committee on Post Office and Civil Service:* Subcommittee on Manpower Utilization concluded hearings on the need for additional supergrade positions in the Federal Government. Witnesses representing the General Services Administration were heard.

#### OMNIBUS FARM BILL

*Committee on Rules:* Granted an open rule with 5 hours of debate and waiving points of order against the bill and committee amendments to H. R. 12954, omnibus farm bill of 1958. Heard on the rule were Representatives Cooley, Harvey, Rooney, Taber, Hoeven, and Hill.

#### TRANSPORTATION ACT OF 1958

*Committee on Rules:* Granted an open rule with 2 hours of debate on H. R. 12832, Transportation Act of 1958.

#### COMMITTEE MEETINGS FOR THURSDAY, JUNE 26

(All meetings are open unless otherwise designated)

##### Senate

*Committee on Appropriations,* subcommittee, on H. R. 12738, fiscal 1959 appropriations for the Department of Defense, 10 a. m., room F-39, Capitol;

Subcommittee, executive, on fiscal 1959 appropriations for the Bureau of Reclamation, 2:30 p. m., room F-82, Capitol.

*Committee on Armed Services,* on H. R. 12541, Defense Department reorganization bill, 10 a. m., 212 Senate Office Building.

*Committee on the District of Columbia,* Business and Commerce Subcommittee, on S. J. Res. 164, authorizing promulgation of regulations for the period of the Middle Atlantic Shrine Association meeting in September, S. 3941, to amend the D. C. Motor Vehicle Safety Responsibility Act, and S. 3827, relative to D. C. parking facilities, 10 a. m., room P-38, Capitol;

Judiciary Subcommittee, executive, to follow conference meeting on H. R. 7785, room P-38, Capitol.

*Committee on Finance,* on H. R. 12591, Trade Agreements Extension Act of 1958, 10 a. m., 312 Senate Office Building.

*Committee on Foreign Relations,* executive, to consider proposals for a broad study of a U. S. foreign policy, 4 p. m., room F-53, Capitol.

*Committee on Government Operations,* Subcommittee on

Heard on the rule were Representatives Harris and Alger.

#### UNEMPLOYMENT COMPENSATION

*Committee on Rules:* In executive session granted an open rule with 2 hours of debate on H. R. 11630, Ex-Servicemen's Unemployment Compensation Act of 1958.

#### SOCIAL SECURITY ACT

*Committee on Ways and Means:* Continued general hearings with respect to the Social Security Act. Hearings continue tomorrow.

#### DEFINITION OF "SMALL BUSINESS"

*Select Committee on Small Business:* Subcommittee No. 2 resumed hearings with respect to the proposed definition of "small business" as issued by the Small Business Administration. Testimony was received from Wendell Barnes, Administrator, SBA, and public witnesses. Adjourned subject to call of the Chair.

#### Joint Committee Meetings

##### MUTUAL SECURITY AUTHORIZATIONS

*Conferees* met in executive session to consider further the differences between the Senate- and House-passed versions of H. R. 12181, Mutual Security Act of 1958 (the bill having been recommitted to conference by the House on June 24), but did not reach final agreement, and will meet again tomorrow.

Reorganization, on those provisions of S. 3126 which deal with the program for coordination of scientific and technical information, and on S. 4039, to authorize expenditure of funds through grants for support of scientific research (title II of S. 3126), 10 a. m., 357 Senate Office Building.

*Committee on Interior and Insular Affairs,* executive, on S. 4036, Domestic Minerals Stabilization Act of 1958, and committee print in connection with this proposed legislation, 9:30 a. m., 224 Senate Office Building.

*Committee on Interstate and Foreign Commerce,* on television study hearings, 10 a. m., room G-16, Capitol.

*Committee on Labor and Public Welfare,* Subcommittee on Education, on H. R. 11378, to extend financial assistance programs for construction of schools in areas affected by Federal activities, 10 a. m., room P-63, Capitol;

Railroad Retirement Subcommittee, executive, on S. 1313, to increase benefits under the Railroad Retirement Tax Act and Railroad Unemployment Insurance Act, 10 a. m., room F-41, Capitol.

*Committee on Post Office and Civil Service,* Post Office Subcommittee, on S. 3899, to readjust the size and weight limitations on fourth-class mail matter, 10 a. m., 135 Senate Office Building.

*Select Committee on Improper Activities in the Labor or Management Field,* on the activities of the International Brotherhood of Carpenters and Joiners, 10 a. m., 318 Senate Office Building.



(8) to transfer, convey, lease, sublease, encumber, and otherwise alienate real, personal, or mixed property;

(9) to borrow money for the purposes of the corporation, issue bonds therefor, and secure the same by mortgage, deed of trust, pledge, or otherwise, subject in every case to all applicable provisions of Federal and State laws; and

(10) to do any and all acts and things necessary and proper to carry out the objects and purposes of the corporation.

#### MEMBERSHIP

SEC. 5. Eligibility for membership in the corporation and the rights, privileges, and designation of classes of members shall be determined as the constitution and bylaws of the corporation may provide but in no case shall eligibility for all classes of membership include persons who did not serve honorably in the Armed Forces of the United States during the period beginning April 6, 1917, and ending November 11, 1918.

#### GOVERNMENT; COMPOSITION; FORM; MEETING PLACES

SEC. 6. (a) The supreme governing authority of the corporation shall be the national convention thereof, composed of such officers and elected representatives from the several States and other local subdivisions of the corporate organization as shall be provided by the constitution and bylaws, each of such duly elected representatives to be entitled to one vote at such national convention. The form of the government of the corporation shall always be representative of the membership at large and shall not permit the concentration of the control thereof in the hands of a limited number of members or in a self-perpetuating group not so representative. The meetings of the national convention may be held in any State or Territory or in the District of Columbia.

(b) Each member of the corporation, other than associate or honorary members, shall have the right to one vote on each matter submitted to a vote at all other meetings of the members of the corporation.

#### BOARD OF ADMINISTRATION; COMPOSITION

SEC. 7. (a) During the intervals between the national convention, the board of administration shall be the governing board of the corporation and shall be responsible for the general policies, programs, and activities of the corporation.

(b) Upon the enactment of this act the membership of the initial board of administration of the corporation shall consist of such of the following present members of the board of administration of the Veterans of World War I of the United States of America, Inc. (the corporation described in section 18 of this act) as qualify for membership under section 5 of this act and who are qualified members of said board of administration, to wit: Harlan W. Barnes, Lewis Brake, Fred J. Hollenbeck, Reginald H. Murphy, Jr., Stanton L. Smiley, Catherine Sawyer, Emerson R. J. Follett, M. George Deutsch, Patrick F. O'Connor, Charles L. Gore, Arch MacIntyre, G. Edwin Slater, John E. Erickson, A. H. Ohlsen, and Arthur G. Estes.

(c) Thereafter, the board of administration of the corporation shall consist of not less than seven members elected in the manner and for the term prescribed in the constitution and bylaws of the corporation.

#### OFFICERS OF CORPORATION: SELECTION, TERMS, DUTIES

SEC. 8. The officers of the corporation shall be a national commander, a national senior vice commander, a national junior vice commander, a national quartermaster, a national adjutant (which latter 2 offices may be held by 1 person), a national judge advocate, nine regional vice commanders, and such other officers as may be prescribed in the constitution and bylaws. The officers of the

corporation shall be selected in such manner and for such terms and with such duties and titles as may be prescribed in the constitution and bylaws of the corporation.

#### PRINCIPAL OFFICE; TERRITORIAL SCOPE OF ACTIVITIES

SEC. 9. (a) The principal office of the corporation shall be located in Washington, D. C., or in such other place as may be determined by the board of administration; but the activities of the corporation shall not be confined to that place, but may be conducted throughout the various States, the District of Columbia, and Territories and possessions of the United States.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept services of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, will be deemed notice to or service upon the corporation.

#### DISTRIBUTION OF INCOME OR ASSETS TO MEMBERS; LOANS

SEC. 10. (a) No part of the income or assets of the corporation shall inure to any of its members or officers as such, or be distributed to any of them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of administration of the corporation.

(b) The corporation shall not make loans to its officers or employees. Any member of the board of administration who votes for or assents to the making of a loan or advance to an officer or employee of the corporation, and any officer who participates in the making of such a loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

#### NONPOLITICAL NATURE OF CORPORATION

SEC. 11. The corporation and its officers and agents, as such shall not contribute to or otherwise support or assist any political party or candidate for public office.

#### LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 12. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

#### PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 13. The corporation shall have no power to issue any shares of stock or to declare or pay any dividends.

#### BOOKS AND RECORDS; INSPECTION

SEC. 14. The corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its national convention and board of administration. All books and records of the corporation may be inspected by any member, or his agent or attorney, for any proper purpose, at any reasonable time.

#### AUDIT OF FINANCIAL TRANSACTIONS; REPORT TO CONGRESS

SEC. 15. (a) The financial transactions of the corporation shall be audited annually by an independent certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fis-

cal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than March 1 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such reports shall not be printed as a public document.

#### ACTIVITIES REPORT TO CONGRESS

SEC. 16. On or before March 1 of each year the corporation shall report to the Congress on its activities during the preceding fiscal year. Such report may consist of a report on the proceedings of the national convention covering such fiscal year. Such report shall not be printed as a public document.

#### EXCLUSIVE RIGHT TO NAME, EMBLEMS, SEALS, AND BADGES

SEC. 17. The corporation and its subordinate divisions shall have the sole and exclusive right to use the name "Veterans of World War I of the United States of America, Inc." The corporation shall have the exclusive and sole right to use, or to allow or refuse the use of, such emblems, seals, and badges as it may legally adopt, and such emblems, seals, and badges as have heretofore been used by the Ohio corporation described in section 18 of this act and the right to which may be lawfully transferred to the corporation.

#### ACQUISITION OF ASSETS AND LIABILITIES OF EXISTING CORPORATION

SEC. 18. The corporation may acquire the assets of the Veterans of World War I of the United States of America, Inc., a corporation organized under the laws of the State of Ohio, upon discharging or satisfactorily providing for the payment and discharge of all the liability of such corporation and upon complying with all laws of the State of Ohio applicable thereto.

#### DISSOLUTION OR LIQUIDATION

SEC. 19. The national convention may, by resolution, declare the event upon which the corporate existence of the organization is to terminate and provide for the disposition of any property remaining to the corporation after the discharge or satisfaction of all outstanding obligations and liabilities. A duly authenticated copy of such resolution shall be filed in the office of the United States District Court for the District of Columbia. Upon the happening of the event thus declared, and upon the filing of a petition in said United States District Court reciting said facts, said court shall take jurisdiction thereof, and upon due proof being made the court shall enter a decree which shall be effectual to vest title and ownership in accordance with the provisions of such resolution.

#### RESERVATION OF RIGHT TO AMEND OR REPEAL ACT

SEC. 20. The right to alter, amend, or repeal this act is expressly reserved.

Mr. FORRESTER (interrupting the reading). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, that it be printed in the RECORD and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

#### PROGRAM FOR TODAY AND BALANCE OF WEEK

Mr. MARTIN. Mr. Chairman, I move to strike out the last word to ask the majority leader what the program will



be for the rest of the day and for tomorrow.

Mr. McCORMACK. Mr. Chairman, after disposition of this bill, there will be a conference report on the rivers and harbors bill, which should not take long. The perishable commodities bill has been taken off the program and will not come today or this week.

On tomorrow there will be the farm bill. A rule was reported out today. If the farm bill is disposed of in time to take up some suspensions, they will be taken up after disposition of the farm bill if there is time Thursday and Friday, or on Monday, because special permission was obtained for suspensions on tomorrow, Friday, and on Monday. The farm bill will have the right-of-way.

As I say, if there is any time left during the remainder of the week to take up suspensions, that will be a matter we will discuss. I have a long list here of 16 or 17 bills. I made a promise as far as I could to the gentleman from Iowa [Mr. GROSS] that at least a day before I would announce the bills that might be considered under suspension. Of course, I cannot see where any I might announce today would be considered on tomorrow with the farm bill coming up, on which there are 5 hours of general debate, but I do not want to be bound by this statement.

Mr. MARTIN. The gentleman was good enough to give me a list of possible suspensions. I have taken the responsibility of finding out how the minority members of the different committees feel about the suspensions. That list has not been sent back to me but may be back before we adjourn today. I do not think it would serve any useful purpose to read the whole list now. I will agree to give to the gentleman from Iowa those we have agreed upon before the day is out.

Mr. McCORMACK. The gentleman from Massachusetts consented to these suspension days. Of course, no bill would be put on the list that the gentleman did not desire to have on such list. That means not only himself personally, but he has his responsibility to the members of his party. That is the understanding.

Later in the day, the gentleman can advise me after he has gone over the list I have submitted to him and give me those that are agreeable to be taken up so that we can put it in the RECORD. It might be well to ask unanimous consent to include in my remarks if the situation is satisfactory, a list of the suspensions that might come up some time between now and next Monday, including next Monday. I might say there may be a few others that will be added thereto for Monday, for example. If there are, I will know by Friday. We will sit on Friday anyway and I will be in position to take up with the gentleman from Massachusetts [Mr. MARTIN] those that we have cleared in order to announce to the House.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Indiana.

Mr. HALLECK. As I understood the majority leader, he said he proposes to schedule the farm bill for debate tomorrow. I understand the rule provides for 5 hours of general debate. There will be an hour on the rule, of course. The gentleman from Massachusetts knows it is a highly controversial bill. There are certain parts of that bill that are operating against something of a deadline. In my opinion, it would be a perfectly simple matter to take care of those things that are urgent under suspension of the rules. We could consider a bill that is already here under suspension.

In addition to that, conference reports will be coming back. The arrangement for suspensions was undoubtedly made in order to take care of certain deadline measures about which there would be no great controversy but would take some time. All I wanted to say to the gentleman is, as I said to him before, that our State convention out in Indiana is starting tomorrow and continues through Friday. It just so happens that a member of the Committee on Agriculture from my State [Mr. HARVEY], is to be the temporary chairman of that convention. Now, obviously, if the farm bill goes on in the form that it has been reported by the committee, it is not going to be concluded, in my opinion, in any 2 or 3 hours; it will take a very considerable amount of time to conclude it. So, all I can suggest is that in the interest of proper legislation and in the interest of looking after the needs of the farmers that are immediately urgent, what we ought to do is to take care of the matters that are in substantial agreement, that are operating against a deadline of June 30, and pass that measure and then take up the rest of the bill at some later date.

Mr. McCORMACK. Well, of course, the gentleman is speaking for himself and from his own angle, but there is a broader angle than that. The bill has been reported out of the Committee on Agriculture and a rule has been reported out. There are certain necessities that require that this bill be brought up, and all I can say to my friend, respecting his views as I do, it being a limited viewpoint that he has expressed, from the over-all viewpoint, why, the proper thing to do is to program the bill for tomorrow, and I have accordingly done so.

Mr. HALLECK. Well, all I can say is, of course, that I shall stay on. As against the convention and our attendance there, this matter of farm legislation is of transcending importance, and I just wanted the membership of the House to know what the situation is and to express my regret that this sort of a situation has developed.

Mr. McCORMACK. Of course, I feel very sorry in connection with the convention. But, on the other hand, everybody has been taken care of very well this year. We are now coming to the end of June and the early part of July. And, of course, whenever it was possible to take care of convention engagements, that courtesy was extended through cooperation of the leadership on both

sides. But, there was no agreement to do it. We had an understanding for primary days, and then recognizing the exigencies confronting the Members on primary day, for the day before we made arrangements that roll calls requested the day before and on primary day took place the following day or two days afterwards. Now, we had a convention in Massachusetts last week. I did not go up there. I had a nephew who was a candidate for the pre-convention endorsement for attorney general, but I did not go up there. He probably got more votes than he would have gotten if I did go up there.

Mr. HALLECK. Mr. Chairman, if the gentleman will yield further, I just want to make it very clear, as far as I am concerned—and I am sure I speak for my colleagues of the Indiana delegation—this farm bill is of such importance that we shall, of course, stay on here. We did not have any votes Monday or Tuesday. Now, I do not know whether that had anything to do with the Democratic State Convention at Indianapolis or not. Maybe there were primaries, too.

Mr. McCORMACK. There were primaries.

Mr. HALLECK. There may have been.

Mr. McCORMACK. Yes; I can assure the gentleman there were.

Mr. MARTIN. Could we make any arrangement with the gentleman that the votes go over to the first of the week?

Mr. McCORMACK. I wish I could, but it would be impossible, and I cannot see the possibility of it, because then it would have to go over until the following Wednesday, and that would be an unreasonable length of time.

The list of bills under suspensions are as follows:

H. R. 12628, Extension Hospital Survey and Construction Act (Hill-Burton bill) (3 years).

H. R. 12694, authorization of loans (Hill-Burton Hospital Construction Act) title VI, Public Health Service Act.

H. R. 12832, Transportation Act of 1958.

H. R. 9196, vessels, atomic icebreaker. S. 3180, provide transportation on Canadian vessels.

H. R. 12739, to amend (Federal ship mortgage insurance) of the Merchant Marine Act, 1936, to implement the pledge of faith clause.

S. 3500, the automobile labeling bill. H. R. 11123, extension of functions, trust territory of the Pacific islands.

H. R. 11192, conveyance of land, Maryland (University of Maryland).

S. 1832, State Department, additional Assistant Secretary.

H. R. 10069, additional funds, Corregidor-Bataan Memorial Commission.

H. R. 11133, attract scientists and engineers Continental United States and Alaska, travel pay.

H. R. 12776, codification, United States Code, "Highways."

H. R. 12457, increase authorization Atomic Energy Commission.

H. R. 12850, prohibit switch blade knives.

1870-1871

Nov 1870

Dec 1870

Jan 1871

Feb 1871

Mar 1871

Apr 1871

May 1871

Jun 1871

Jul 1871

Aug 1871

Sep 1871

Oct 1871

Nov 1871

Dec 1871

Jan 1872

Feb 1872

Mar 1872

Apr 1872

May 1872

Jun 1872

Jul 1872





# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued June 27, 1958  
For actions of June 26, 1958  
85th-2d, No. 106

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HIGHLIGHTS: House rejected resolution to consider farm bill. Senate passed measure to extend special milk program. House passed employee training bill. Senate returned accrued expenditures budgeting bill to committee. House received revised conference report on mutual security authorization bill.

## HOUSE

1. FARM PROGRAM. Rejected, 171 to 214, a resolution for consideration of H. R. 12954, the omnibus farm bill. pp. 11122-145
2. PERSONNEL. Passed under suspension of the rules and returned to the Senate S. 385, to provide general legislative authority for the training of Federal employees. (pp. 11149-158) The report of the Post Office and Civil Service Committee contains the following statements in explanation of the provisions of the bill:
  - "Basic and general legislative authority is provided for interdepartment, intradepartment, and outservice training (that is, training in non-Government facilities) of Government employees when such training will promote efficiency, economy, and better service.
  - "Government payment of the expenses of such training is authorized, with special controls on expenditures for outservice training.

"This training authority is granted to all departments and agencies in the executive branch (with several necessary exceptions), the General Accounting Office, the Library of Congress, the Government Printing Office, and the District of Columbia government.

"The President is authorized to exempt any department or agency (or any part thereof) or employees from any or all provisions of the bill where he deems such exemption appropriate, but he may not extend its coverage. This authority does not extend to the relieving of the Civil Service Commission of any function, responsibility, or duty imposed on the Commission by the bill other than its responsibility for the training of its own employees.

"Each department and agency is directed to (1) review its training needs within 90 days after enactment and at least every 3 years thereafter, (2) establish and maintain training programs to meet those needs, (3) operate these programs in accordance with law and regulations, (4) utilize its own resources, and other available Government resources, so far as practicable, and (5) encourage and recognize employees self-training and self-development.

"General responsibility for coordinating training programs and assisting the departments and agencies is imposed on the Civil Service Commission, subject to supervision and control of the President and review by the Congress. The Commission is directed to (1) promote, coordinate, and assist in department and agency training programs; (2) issue necessary standards and regulations after consultation with the departments and agencies as to their needs; (3) review department and agency training programs and activities and report thereon to the President and the Congress; and (4) enforce compliance with the law, regulations, and standards governing outservice training. It should be noted that a number of matters to be covered by the Civil Service Commission regulations are spelled out in the bill.

"The bill consolidates into one comprehensive law most of the special training authorities now in existence. It makes unnecessary, and will repeal, existing legislation which now authorizes eight agencies to provide outservice training of employees. Also, it eliminates any need for yearly reenactment of outservice training authority presently granted five departments or agencies and the District of Columbia government through appropriation language. It will eliminate the need for additional special legislation now being sought by other departments and agencies. ...

"Section 23 of the reported bill contains provisions for the absorption of costs of this training program within funds available to the departments and agencies. These are to have substantially the same effect as the provisions for absorption of costs contained in the recently enacted Federal Employees Salary Increase Act of 1958 (Public Law 85-462). ...

"The committee emphasizes that enactment of this legislation will not result in the creation of any new board, commission, bureau, or similar authority to carry out its provisions and that the central point of responsibility and accountability shall be the Civil Service Commission -- subject to the usual supervision and control by the Chief Executive and review by the Congress.

"The committee obtained a commitment from the Director of the Bureau of the Budget and from the witnesses for the Civil Service Commission that the training programs authorized by this legislation will be established and maintained within the limits of regular appropriations or other available funds, to the maximum practicable extent, and that the assignment of additional personnel for this purpose would be kept at a minimum." ...



with the Constitution and laws of the United States."

And the House agree to the same.

JAMES A. HALEY,  
WAYNE N. ASPINALL,  
CLAIR ENGLE,

*Managers on the Part of the House.*

JAMES E. MURRAY,  
CLINTON P. ANDERSON,  
GEORGE W. MALONE,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (S. J. Res. 12) to provide for transfer of right-of-way for Yellowtail Dam and Reservoir, Hardin unit, Missouri River Basin project, and payment to Crow Indian Tribe in connection therewith, and for other purposes, submit the following statement in explanation of the effect of the language agreed upon and recommended in the accompanying conference report:

Senate Joint Resolution 12, as it came to the House, provided for the payment of \$5,000,000 to the Crow Tribe of Indians as just compensation for the transfer of the tribe's entire interest (except mineral rights) in lands required for the Yellowtail Dam and Reservoir of the Missouri River Basin project (act of December 22, 1944, sec. 9, 58 Stat. 887, as amended and supplemented) and in the light of special values related thereto for which such compensation is not required under the fifth amendment to the Constitution.

In the House this measure was amended to substitute \$2,500,000 as the amount to be paid the tribe. The amendment was accomplished by substituting the text of House Joint Resolution 2, as amended in committee, for the text of Senate Joint Resolution 12. Other changes also occurred as a result of this substitution, including the striking of the preamble to Senate Joint Resolution 12, the inclusion of a provision for distribution of the amount paid the tribe in accordance with the act of June 20, 1936 (49 Stat. 1543), the inclusion of a recital disclaiming any legal obligation on the part of the United States to pay more than just compensation to the Crow Tribe, a prohibition against payment of attorney fees from moneys paid under the resolution and the correction of minor errors in the land description.

The conference amendments adopt the House figure of \$2,500,000. They also provide that, if the tribe believes this to be less than the amount to which it is entitled as compensation, it may sue either in the Court of Claims or in the United States District Court for the District of Montana. The language of House Joint Resolution 2 disclaiming any legal liability for more than the compensation to which the tribe may be entitled under the Constitution is retained and provision is made requiring that the \$2,500,000 paid under section 1 be deducted from whatever judgment the tribe is awarded in such a suit. This will avoid any possibility of double compensation to the tribe. In view of claims made in pending litigation by the tribe, the conference amendment specifically adverts to power site and dam site value but provides that this reference shall not be taken as an admission by the Government that payment of just compensation therefor is required. This is designed to avoid prejudicing any independent judicial determination of this tribal claim that may be called for in the premises. The executive branch will be free, if it chooses to do so, to maintain the position that, to use the language of the President (S. Doc. No. 128, 84th Cong.) "General principles of constitutional law exclude power site values in determining 'just compensation' \* \* \*."

The conference amendments conform to the House version of the bill in omitting the preamble and in the land description. They conform to the Senate version in omitting the provision for distribution of funds in accordance with the act of June 20, 1936. They adopt the House provision with respect to attorney fees in slightly modified form.

JAMES A. HALEY,  
WAYNE N. ASPINALL,  
CLAIR ENGLE,

*Managers on the Part of the House.*

#### COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit while the House is in session today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

#### AMENDMENT OF FEDERAL CIVIL DEFENSE ACT OF 1950, AS AMENDED

Mr. DURHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 12827) to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 307 of the Federal Civil Defense Act of 1950, as amended (50 U. S. C. App. 2297), is further amended by striking out the date "June 30, 1958" and inserting in lieu thereof the date "June 30, 1962."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. DURHAM. Mr. Speaker, the bill which is being considered today would extend the provisions of title III of the Federal Civil Defense Act of 1950, as amended. Title III contains the standby emergency civil defense authority. The proposed extension will continue this current standby authority, which is designed to permit the Federal Government to deal with the immediate emergency conditions which would be created by an enemy attack upon the Nation.

Under the provisions of section 307 of the Federal Civil Defense Act of 1950, as amended, these emergency powers would terminate on June 30, 1958. As originally enacted, section 307 provided that the standby emergency powers would terminate on June 30, 1954. This termination date was extended to June 30, 1958, by Public Law 383 of the 83d Congress.

Section 301 of title III authorizes the declaration of a civil defense emergency, by the President or the Congress, whenever an attack on the United States has occurred or is anticipated. The emergency powers contained in title III

may be exercised only during the existence of such a civil defense emergency. The same section also authorizes the termination of such emergency, by proclamation of the President or by concurrent resolution of the Congress.

Title III contains broad emergency powers, on a standby basis. The Congress, in its enactment of title III, recognized that an attack upon the United States, with modern weapons of mass destruction, would thrust many unprecedented problems of vast magnitude upon our Nation and our Government. Due to the rapid advances in weapons development and delivery capabilities, the reasons for enactment of such emergency authority which existed at the time of the original passage of the act exist in a much greater measure today.

The principal provisions of title III authorize the President and the Administrator to marshal all the resources of the Federal Government to meet the emergency conditions brought about by an enemy attack. This includes assistance to the States and cities through the utilization of Federal personnel, materials, and facilities, the provision of emergency shelter, immediate emergency repairs to, or the emergency restoration of, vital utilities and facilities destroyed or damaged by the attack. Title III grants broad Federal procurement and utilization authority over property, while preserving constitutional safeguards with respect to just compensation. States rendering assistance to other States may be reimbursed for such expenses. It also provides for financial assistance for temporary relief of civilians injured or in want as a result of an attack; and provides streamlined authority for the temporary employment of additional personnel without regard to the civil service laws. It also authorizes the incurring of such obligations on behalf of the United States as are required to meet the situation brought about by an attack. The immunity of the Federal Government from suit while performing any of the emergency functions contained in the title is expressly reserved.

Experience has demonstrated that effective emergency planning, at all levels of government, requires a clear understanding of the legal authority available for emergency actions under conditions of enemy attack. The continued existence of the standby authority contained in title III permits and facilitates such planning and is essential to the nonmilitary defense activities of the States and cities, as well as the Federal Government.

The nonmilitary defense preparedness of the United States must be developed to, and maintained at, a high level of readiness so long as the possibility of an enemy attack faces the Nation. The requirement for this capability does not change with the fluctuation of international tensions.

The provisions of this title form the legal basis of the emergency plans for civil defense in the event of an enemy attack upon the Nation, while preserving the basic constitutional guaranties with respect to such matters.



The standby emergency powers contained in title III constitute an essential part of the legislative authority which the President must have in order to develop, and assure the appropriate implementation of, the Nation's nonmilitary defense plans.

#### THE AGRICULTURAL ACT OF 1958

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 609 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12954) to extend and amend the Agricultural Trade Development and Assistance Act of 1954; to amend the Agricultural Adjustment Act of 1938, the Agricultural Act of 1949, and the National Wool Act of 1954 with respect to acreage allotment and price support programs for rice, cotton, wool, wheat, milk, and feed grains; and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 5 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order any amendment offered by direction of the Committee on Agriculture. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### CALL OF THE HOUSE

Mr. MARTIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 106]

|             |                |                 |
|-------------|----------------|-----------------|
| Anderson,   | Engle          | Powell          |
| Mont.       | Gordon         | Radwan          |
| Boykin      | Gray           | Robeson, Va.    |
| Brooks, La. | Gregory        | Roosevelt       |
| Buckley     | Gwinn          | Shuford         |
| Burdick     | Hale           | Spence          |
| Celler      | Jenkins        | Steed           |
| Christopher | Kearney        | Talle           |
| Coudert     | McIntire       | Taylor          |
| Davis, Ga.  | McMillan       | Teague, Tex.    |
| Dellay      | Magnuson       | Thornberry      |
| Dies        | Miller, Calif. | Trimble         |
| Eberhart    | Morris         | Williams, N. Y. |
| Edmondson   | Moulder        | Wolverton       |

The SPEAKER. On this rollcall 385 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### THE AGRICULTURAL ACT OF 1958

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN], and myself such time as I may consume.

Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 609, which makes in order the consideration of H. R. 12954, the so-called omnibus farm bill of 1958. The resolution provides for an open rule, 5 hours of general debate, and waives points of order against the bill and amendments offered by direction of the Committee on Agriculture.

Title I extends Public Law 480, the Agricultural Trade Development and Assistance Act, for 1 year and authorizes the sale of an additional \$1,500,000,000 in farm products. This act, as the Members of the House know, permits the United States to sell agricultural products abroad with payment being received in the currency of the importing country. It also directs an expanded barter program, but limits the value of surplus agricultural commodities covered by barter agreements to \$500 million in any fiscal year. The bill authorizes the use of these foreign currencies for various activities abroad, such as construction of buildings, public-health activities, educational programs, and so forth.

Title II of the bill covers the acreage-allotment and price-support level for rice; title III establishes a new 3-year price-support and acreage-allotment program for the cotton crop, with the cotton farmers being given a choice of two programs. Title IV extends the Wool Act for 3 years and approximately doubles the amount of money which will be available in case it is needed for price-support payments. Title V provides for the continuation of the present acreage-allotment program for wheat but, if approved by more than 50 percent of the wheat farmers voting in referendum, would discontinue marketing quotas and set up a 3-year domestic-parity program. Title VI permits dairy farmers to choose between the present support program and a new 3-year so-called self-financed program based on 90 percent of parity for manufacturing milk. The bill also continues the school-lunch program and the program donating dairy products to the armed services and veterans' hospitals for 3 years. Under title VII the Secretary of Agriculture is directed to conduct a referendum to determine whether the producers of feed grains favor a program of price support or no program for such crops. Title VIII provides a uniform law covering the transfer of acreage allotments and also eliminates the necessity for the Commodity Credit Corporation to calculate and pay the equity payments on forfeited CCC loans.

During the hearings before the Rules Committee, no information could be obtained on the cost of the proposed bill.

The Rules Committee, in granting 5 hours' debate, felt that sufficient time has been provided for the debate and, it is hoped, clarification of this complex and exceedingly controversial bill.

Mr. Speaker, I yield 7 minutes to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Speaker, I am for this rule. I shall take part in discussing one phase of this legislation, and more competent Members than I will discuss other titles.

I want to say, however, right here and now that I have always supported farm legislation, and I do not have a single farm in my district. I have done so because I sincerely feel that this country of ours could not last one single day if it were divided. I feel that we in the cities must support those on the farm. The prosperity of one hinges on the other. At the same time I must caution you people from the farms that we as representatives from the cities do not want this to be a one-way street. If we support you in legislation, we expect the same kind of consideration.

Now, one of the most important phases of this legislation which will come up will be the part in which most of us from the cities are very much interested, and I believe the entire country should be interested in this particular part of the legislation. I refer to Public Law 480. It has done a marvelous job in winning friends for us throughout the world. Through that bill we are also able to dispose of agricultural surpluses. We have disposed of billions of dollars worth of surpluses, and we have used it as a very effective means in compliance with the intent and the will of the Congress to barter a great deal of these materials. Those who have been dealing in the barter type of trade, those who have disposed of agricultural surpluses in that manner, have done so for cash. They have paid the Commodity Credit Corporation good, solid cash and they have received in return strategic materials which this country sorely needs. I am not going to discuss that phase of it at this moment, but I do want to say to my colleagues now that at the proper time I expect both sides here to give very serious consideration to Public Law 480 and to the barter program. I repeat, I will not permit, nor will anyone from the cities permit this to be a one-way street.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman.

Mr. WALTER. Can the gentleman explain what effect the enactment of this legislation will have on the ever-rising cost of living?

Mr. ANFUSO. The gentleman knows that I have always been interested in preventing the rise of cost of living and I have done something about it. The enactment of this legislation, like all of our programs which deal with helping farmers, the consumers, the aged and the children, will naturally cost some money. But I say that the enactment of this legislation will do a great deal of good in promoting our relations throughout the world. The enactment of this legislation will certainly help the farmers and business throughout the country. Mr. Speaker, I say this: I am going to listen to an explanation of those titles that have to do with the farmers, as all



of our city people are going to listen to them. I have not closed my mind on any of them. But I am going to discuss title I. That is very important to me.

Also, in answer to the request of many other people from the cities, I am going to introduce a food-stamp plan. I am going to do this because there has been a great deal of clamor throughout the country that we enact such legislation. I am going to do that because the hearings that we have conducted indicated that it is warranted. I am going to do it because at a meeting only yesterday it was voted on by our committee favorably by a vote of 18 to 1.

I am going to introduce this legislation, which does not affect me one iota, but, as I said, dozens of Congressmen have come to the Committee on Agriculture and asked me to introduce that legislation.

Mr. Speaker, I am not going to ask anyone to bind himself on any part of this legislation. But I am asking everyone in all fairness to listen to each proposal and then vote as his conscience dictates.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. ANFUSO. I yield.

Mr. H. CARL ANDERSEN. In other words, the gentleman feels that the farmer should have his day in court, in the House of Representatives?

Mr. ANFUSO. I certainly do. And I have felt that way ever since I came to the Congress.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman.

Mr. HALLECK. The gentleman has spoken very favorably on the extension of Public Law 480. I agree with him completely. But I would like to suggest to the gentleman that to try to accomplish that extension in this complicated, controversial piece of legislation, is not going to be possible. The way to extend Public Law 480 and the other necessary parts of this farm legislation is to put them in a bill, move to suspend the rules, and then we can pass it here today in 40 minutes, and get on with those things that really need to be done.

Mr. ANFUSO. Mr. Speaker, may I say to the distinguished gentleman from Indiana that the reason this omnibus bill came up at this time and in the manner in which it did is that Republicans and Democrats requested specific legislation for cotton, rice, wool, wheat, and other commodities. I say to you this: Consider every phase of this bill. Certainly you have the right to move to strike out any title. But, as the gentleman said before, you must give the farmers and the consumers and the entire country the opportunity to be heard on all phases of this legislation. And that is all that I am asking.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 5 minutes, and ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I have been a resident of a rural community all of my life. I have been a farm owner and operator for more than a quarter of a century. I have served my time in the Ohio Legislature, and I have served for some 20 years in the Congress of the United States.

This omnibus farm bill, H. R. 12954, the consideration of which this rule would make in order, with 5 hours of general debate, is one of the most confusing, one of the most complex, and one of the most controversial measures I have ever seen. Seemingly the members of the Committee on Agriculture cannot agree among themselves as to what many of the provisions of this bill mean. There has been a great division within the Committee on Agriculture. I think some 12 committee members signed dissenting views in the report. The report itself was not made available to most of us, at least, until Monday of this week. The report was not written until June 19.

This bill affects every segment and section of agriculture all over the country. It contains some very good provisions, but it also contains some very controversial, and, in my opinion, some very bad provisions. Even some of the supporters of the bill, in their testimony before the Rules Committee, where there was a great division of opinion among the Agricultural Committee members, stated that the bill needs amending, to say the least, and that many of these provisions now in the measure should be stricken from it.

At the same time, the bill contains one section which would extend Public Law 480, which is the law providing for the sale of surplus farm commodities abroad, and which, incidentally, expires on Monday midnight, June 30, if we do not extend it.

The measure also contains a provision which would continue for another year the present law providing for the use of surplus milk in veterans hospitals and for school lunch programs. That would also expire on June 30, or Monday midnight.

Bills covering both of these extensions have been before the Committee on Agriculture for many months. If the committee wants to extend these 2 acts, and I believe every Member of this House wants to extend them, all it has to do is call up, under suspension of the rules, the bill S. 3420, which would extend Public Law 480, and has already been passed by the Senate, and is now pending here, and pass it between now and Monday night. That easily Public Law 480 can be extended.

All the committee has to do is call up the bill S. 3342, which has been pending before it in this House for many, many months, and which would extend the law for use of surplus milk for veterans hospitals and the school lunch programs, and pass it under suspension of the rules. I doubt if there would be a dissenting vote against either measure.

A Wool Act extension provision is in this omnibus bill. That act expires on March 30 next. We have some time left

on that, but legislation is pending to take care of that extension and there would be very little or no argument against it.

There is also the matter of tung nuts, or tung oil, which is very vital to our national defense. That law can be passed without much, if any, dispute.

But other sections of the bill are so controversial, so difficult to understand, that the members of the Committee could not explain them to the Rules Committee, or at least differed in their explanations as to what the different sections of this bill, which was so hastily drawn and reported, and containing some 62 pages, actually mean. So I feel very strongly that the smartest thing we can do, the best thing, the wisest thing to do, is to vote down this rule and send this whole omnibus bill back to the Committee on Agriculture for further study of the controversial sections; and let the Committee come in under suspension of the rules, with these various noncontroversial pieces of legislation such as the extension of Public Law 480 and the surplus milk distribution program. They could be passed easily under suspension of the rules. Let us pass them before June 30, that is, midnight Monday, and let us get them on their way. Then we can argue and fuss and quarrel among ourselves, if necessary, until we work out, beat out, some kind of proper overall farm legislation for the benefit of this country.

I hope the House in its wisdom will vote down this rule so that we can accomplish something worth while promptly. In that way we will be able to pass needed legislation between now and the June 30 deadline, rather than to go ahead with this bill which cannot possibly become law by June 30, even if every Member of this House should vote for it, which of course they will not.

The SPEAKER. The gentleman from Ohio [Mr. BROWN] has consumed 6 minutes.

Mr. DELANEY. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. JONES].

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Speaker, I am for this rule.

Quite frankly, it would appear that the only opposition to the rule could come from those who are unalterably opposed to any legislation which would offer some relief to the farmers of America at this time.

While it is admitted that there are controversial features in the bill which the Committee on Agriculture has proposed, it should be emphasized that the open rule under which it is proposed to bring the bill to the floor, there will be ample opportunity for the Members of this House to work their will.

This is an open rule, which means that there will be an opportunity to make changes in any and every section to which any Member might have some objection; or for that matter to strike from the bill any section, or any title which a majority feels is objectionable.



I can understand why some Members might not want to see any legislation for agriculture adopted at this session, but I fail to see how any Member can deny this House an opportunity to work its will on this legislation.

I do not like closed rules and have voted against some closed rules, but have done so only in an effort to obtain the opportunity of voting on amendments which in my opinion would improve the legislation.

A vote against this rule would appear to express the fear that the membership of this House cannot be trusted to work its will in a democratic fashion. I hope we can soon pass the rule and get on with the consideration of the legislation.

Mr. BROWN of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. SCOTT].

(Mr. SCOTT of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. SCOTT of Pennsylvania. Mr. Speaker, this is one of those pieces of legislation which could be referred to as one where you are being asked to take the bitter with the better. This is an attempt to increase vastly the cost of the program and to introduce unwise and damaging legislation—legislation damaging to the farmer as well as to the urbanite under the guise of necessity for acting before the 30th of June. Now, Mr. Speaker, as has been said by the gentleman from Indiana and others, we can under suspension of the rules in 40 minutes enact the essential sections of this law. The school-milk program and title I of Public Law 480, could be passed quickly under suspension of the rules and then we could carefully consider the kind of legislation we need in the rest of this program. This legislation, I say to those who represent consumer districts—and who does not?—is a proposal imposing especial hardship upon the lower income groups of this country. It is a bread tax. This act ought to be called the bread tax and milk tax act because this legislation provides for a bread tax and a milk tax on low-income consumers particularly.

Consumers would pay the cost of the wheat program and there is no reason to believe that it will help the farmers. All of us know that our low-income groups have to rely more on bread than other groups. Hence the burden is likely to fall heaviest on those in the weakest position to pay. Strike at the poor if you will, but you will get no help from me if you indulge in this singularly callous action.

So also in the case of milk. You are voting more tax upon your consumers if you support this bill, because the provision for deduction at the market place of 25 to 50 cents per hundred pounds for any milk produced over a fixed quota will unquestionably be passed on to the consumer. It is impossible to estimate the amount which milk will be increased, but a conservative guess would be that this is a milk tax of a penny a quart.

Those of you who have to go back and explain to the housewives in your communities, I hope you will find some way of explaining why you put a bread tax

on the poor and why you put a milk tax on the poor. I hope your explanation is good, because I expect to be around here to remind you of it as far as the people of Pennsylvania are concerned.

This is an iniquitous piece of legislation as a package, but it has within it some very good and some very desirable provisions. I hope those provisions will be enacted, particularly the extension of the school-milk program and the Public Law 480 program and the miscellaneous sections in title 8, for example. I hope those will be enacted and that the rest will be stricken out.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania [Mr. SCOTT] has expired.

Mr. DELANEY. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Speaker, I am a little surprised at the attack that is being made on this rule. To me it appears to be very unfair. I have always believed that the House would treat fairly any committee that brings a bill before it; but if the approach is pursued as suggested by the gentlemen who are making the speeches from the left side of the aisle, then the Committee on Agriculture might as well be liquidated.

Before we take a vote, there are certain situations which you should consider. Let us take a look at what has transpired before and which resulted in bringing the omnibus bill to the floor.

Last year our committee endeavored to report several commodity bills. Each and every one of them were voted down in committee. There were those who voted against the bills in the committee who so voted, not because they were against the bills but because they felt that all programs should go out in one package. They insisted that we take to the floor of the House an omnibus bill. There were a great many of us who had no part in making that proposal, and I was one of them. But that was the will of the majority of the committee. So there was nothing left for us to do but bow to the will of the majority and begin work on an omnibus bill.

Now, pursuing the will of the majority of the committee, we went to work last year on the omnibus bill. We have done just exactly what some who are now complaining about it insisted that we do. So we went to work and we worked through the remainder of the last session and up until now. The effort was not an easy one. Everyone worked hard and conscientiously. Finally, a majority came to an agreement, and the majority included some of my friends on my left who are now fighting the submission of the very thing they agreed to submit—an omnibus bill.

This bill is the fruit of the very effort which every member of the committee last year agreed to participate in. It is unthinkable to me that some of these very gentlemen, for whom I have the highest regard and respect, will not now agree to even let us debate the bill on the floor of the House. I just cannot picture the House denying our farm people the right of having their bill discussed.

The House can work its will on the bill. I will be frank to say that my own

views are not in keeping with all the bill. I do not expect the Members of the House to take the bill as a whole. It is in various sections. Each section will be submitted for your consideration. So will each paragraph, each line, and each word. You can make any change you desire. Or, if you like, you may kill the whole bill if, after hearing the debate, you are displeased with it.

Time is running out. We have been accused of not bringing in a farm bill. Now we have brought you such a farm bill. Let us work together and work our will on it. Whatever you do with it will be accepted by us all. But please, please do not be so unreasonable as to deny us the privilege of explaining its provisions.

I urge you to support the rule.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. HILL. Mr. Speaker, I am sorry indeed to appear before this House today in opposition to this rule. I do it because of the depth of my feeling and the complexity of the agriculture program.

Let me say that this is a most controversial, most difficult, and far-reaching piece of agricultural legislation that no Member of this House can take lightly. This bill introduces elements into the control and direction of agriculture that this House has never considered before.

Furthermore, it closes out every program of any importance in this bill in 3 years. That is not good; yet we come before this House with this measure.

Someone has already hinted that the farmers wanted this bill. I hold before this committee the last issue of the AFBF Official News Letter of June 23, 1958. From it I read the following:

HOUSE FARM BILL WOULD SET AGRICULTURE BACK 25 YEARS

The president of the American Farm Bureau Federation has said that the omnibus farm bill reported by the House Agriculture Committee is a monstrosity.

Charles B. Shuman said enactment of the proposed legislation would "set agriculture back 25 years."

He said the House Committee's bill contains numerous objectionable sections. "But none of these is as unfortunate as the provision that after 1961 all farm programs would revert to their present unsatisfactory status."

"The House Committee has failed to come up with what farmers need most—a long-term program designed to free them from Government regulation, let them run their own farms, and allow them to improve their incomes through their own management decisions," Mr. Shuman said.

And he added: "The House bill goes in the opposite direction. It offers farmers more quotas, more taxes, more Government regulation. In our opinion, this can only mean less opportunity and lower net incomes for farmers."

And those are temperate remarks.

As far as I am concerned new elements are introduced in this new farm agriculture act that this House will be sorry we ever adopted. It will be a sorry day—perhaps I should not say it—if agriculture ever becomes a political issue. It is



not a political issue by any stretch of the imagination, none whatever.

My good friend, the gentleman from Mississippi, who preceded me said our committee had united on an omnibus bill. That did not include me.

Mr. HAGEN. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield.

Mr. HAGEN. Is it not also true that members of our committee voted for the bill who did not support most of the sections?

Mr. HILL. Yes. I would like in the brief time remaining to me to refer to other parts of the bill. First, with respect to the milk program, I call your attention to this telegram sent by the Director of the Food Distribution Division of the United States Department of Agriculture:

WIRE SENT TO AREA SUPERVISORS OF THE FOOD DISTRIBUTION DIVISION, AGRICULTURAL MARKETING SERVICE, USDA

JUNE 23, 1958.

As present legislative authority for the special milk program expires on June 30, 1958, you should immediately notify State agencies and program sponsors having agreements with your office that no obligations may be incurred after June 30 with any assurance of Federal reimbursement payments under this program. Should the legislative authority be extended prior to or following June 30, we will notify you at once.

MARTIN GARBER,

Director, Food Distribution Division, USDA.

That is what is going to happen next Monday night. On Monday night of next week we lose our special milk program. On Monday night of next week we lose all the effects of our program that are predicated on Public Law 480.

It is a foolish thing for us to be required to take up a bill of 8 complex, complicated sections, this complex piece of agricultural legislation, and pass it in 8 hours' time, and to include in it laws like Public Law 480 and the special school-lunch program.

We are confronted with a serious, urgent situation, because the Congress has failed to take appropriate action on the President's farm-program recommendation that the special milk program be continued. Our authority to conduct that program expires within the week. Next Monday, June 30, we will have to stop this program, which has proved so successful in increasing milk consumption.

And stopping the special milk program is going to hurt the three-fourths of a million children who would be taking part in it this summer all over this country—in more than 5,000 summer camps, day camps, and recreation centers, and other child-care institutions, and in schools—all of whom want to take part in the program, and are ready to take part in it, if Congress will let them. Further, the stoppage is going to hurt farmers—the dairymen who would sell extra milk to these participants, for serving to children.

The harmful effects of interrupting the program will extend into all sections of the country. The accompanying table shows, on a State-by-State basis, the number of participating organizations and children affected by an interruption:

Special milk program: Number of outlets intending to participate and number of children attending, summer 1958

| State                     | Number of outlets |                                  |                               |         |       | Total number of children |
|---------------------------|-------------------|----------------------------------|-------------------------------|---------|-------|--------------------------|
|                           | Summer camps      | Day camps and recreation centers | Other child-care institutions | Schools | Total |                          |
| Alabama.....              | 22                | 0                                | 12                            | 4       | 38    | 3,860                    |
| Alaska.....               | 1                 | 0                                | 0                             | 1       | 2     | 70                       |
| Arizona.....              | 8                 | 1                                | 2                             | 14      | 25    | 1,575                    |
| Arkansas.....             | 5                 | 4                                | 4                             | 167     | 180   | 28,711                   |
| California.....           | 260               | 175                              | 39                            | 301     | 775   | 168,729                  |
| Colorado.....             | 38                | 13                               | 13                            | 5       | 69    | 5,970                    |
| Connecticut.....          | 9                 | 9                                | 1                             | 0       | 19    | 2,865                    |
| Delaware.....             | 2                 | 9                                | 10                            | 0       | 21    | 1,757                    |
| District of Columbia..... | (1)               | (1)                              | (1)                           | (1)     | (1)   | (1)                      |
| Florida.....              | 22                | 13                               | 20                            | 1       | 56    | 5,393                    |
| Georgia.....              | 18                | 1                                | 1                             | 20      | 40    | 5,568                    |
| Hawaii.....               | 3                 | 1                                | 5                             | 0       | 9     | 4,380                    |
| Idaho.....                | 11                | 0                                | 1                             | 2       | 14    | 1,097                    |
| Illinois.....             | 77                | 17                               | 137                           | 38      | 269   | 81,690                   |
| Indiana.....              | 77                | 5                                | 5                             | 0       | 87    | 14,328                   |
| Iowa.....                 | 32                | 7                                | 7                             | 1       | 47    | 4,712                    |
| Kansas.....               | 44                | 1                                | 6                             | 0       | 51    | 7,164                    |
| Kentucky.....             | 45                | 8                                | 2                             | 25      | 80    | 7,125                    |
| Louisiana.....            | 53                | 5                                | 16                            | 20      | 94    | 14,243                   |
| Maine.....                | 12                | 4                                | 8                             | 0       | 24    | 2,158                    |
| Maryland.....             | (1)               | (1)                              | 15                            | 0       | 15    | 936                      |
| Massachusetts.....        | 122               | 34                               | 7                             | 1       | 164   | 19,975                   |
| Michigan.....             | 142               | 8                                | 18                            | 1       | 169   | 13,219                   |
| Minnesota.....            | 107               | 4                                | 3                             | 13      | 127   | 14,127                   |
| Mississippi.....          | 15                | 15                               | 1                             | 73      | 104   | 9,969                    |
| Missouri.....             | 55                | 3                                | 16                            | 0       | 74    | 6,269                    |
| Montana.....              | 13                | 3                                | 0                             | 3       | 19    | 1,668                    |
| Nebraska.....             | 22                | 0                                | 11                            | 0       | 33    | 2,944                    |
| Nevada.....               | 2                 | 2                                | 2                             | 1       | 7     | 595                      |
| New Hampshire.....        | 5                 | 2                                | 3                             | 0       | 10    | 996                      |
| New Jersey.....           | 44                | 11                               | 23                            | 1       | 79    | 10,237                   |
| New Mexico.....           | 6                 | 1                                | 4                             | 0       | 11    | 1,188                    |
| New York.....             | 549               | 33                               | 33                            | 375     | 990   | 140,044                  |
| North Carolina.....       | 32                | 8                                | 15                            | 25      | 80    | 9,782                    |
| North Dakota.....         | 17                | 0                                | 0                             | 1       | 18    | 1,930                    |
| Ohio.....                 | 111               | 57                               | 65                            | 4       | 237   | 24,179                   |
| Oklahoma.....             | 19                | 2                                | 4                             | 42      | 67    | 7,465                    |
| Oregon.....               | 38                | 10                               | 2                             | 0       | 50    | 3,472                    |
| Pennsylvania.....         | 273               | 70                               | 42                            | 5       | 390   | 41,589                   |
| Rhode Island.....         | 6                 | 5                                | 4                             | 1       | 16    | 2,892                    |
| South Carolina.....       | 30                | 12                               | 20                            | 0       | 62    | 7,291                    |
| South Dakota.....         | 36                | 0                                | 1                             | 1       | 38    | 5,110                    |
| Tennessee.....            | (1)               | 0                                | 6                             | 0       | 6     | 629                      |
| Texas.....                | 19                | 2                                | 19                            | 18      | 58    | 14,541                   |
| Utah.....                 | 16                | 0                                | 5                             | 60      | 81    | 14,042                   |
| Vermont.....              | 1                 | 0                                | 3                             | 0       | 4     | 505                      |
| Virginia.....             | 20                | 4                                | 8                             | 0       | 32    | 3,048                    |
| Washington.....           | 34                | 26                               | 4                             | 7       | 71    | 5,009                    |
| West Virginia.....        | 19                | 2                                | 3                             | 0       | 24    | 2,454                    |
| Wisconsin.....            | 125               | 11                               | 16                            | 1       | 153   | 16,286                   |
| Wyoming.....              | 7                 | 16                               | 0                             | 1       | 24    | 2,301                    |
| Total.....                | 2,624             | 614                              | 642                           | 1,233   | 5,113 | 744,087                  |

<sup>1</sup> Not available.

Further, these harmful effects will be felt by the many organizations who sponsor some form of summer activity for children: Boy Scouts, Girl Scouts, Campfire Girls, 4-H clubs, church groups and charity camps—as well as those who sponsor the day camps, recreation centers, other child-care institutions, and the schools which operate in summer. This includes those schools which hold regular sessions—as well as schools which operate during the summer to make up for time lost at the harvest season.

Even a brief interruption of the program will work hardship on these sponsors. For one thing, it will deny them the benefits of the program during the period of interruption, and for all the additional time that is necessarily involved in stopping milk service under the program, and then getting it restarted.

These stopping and restarting operations would also impose a great deal of extra, unnecessary work on the staffs of the sponsor organizations.

Any interruption in the program will lose forever the extra milk consumption that we could have stimulated during the period of interruption, if we had the spe-

cial milk program available. The amount of extra milk consumption that is lost this way will be completely lost—it can not be regained. And the decrease in consumption will hit dairymen at a time when they need all their markets—the summer season of heavy milk production.

I say we have no excuse for this delay, for these three subjects, the school milk program, the Armed Forces milk program, and Public Law 480 were included in separate bills passed by the Senate. The Agricultural Trade Development and Assistance Act was extended by the Senate in the bill S. 3420 and passed the Senate on March 20 by a voice vote. The comparable section of this Senate bill is title I of the bill made in order by the rule.

The school-lunch program was continued in the bill of the Senate, S. 3342, passed by the Senate on March 3, 1958, by a unanimous voice vote. The comparable section in the bill made in order by this rule is section 604 of title 6.

The Armed Forces dairy products program was extended for 3 years by the Senate in the bill S. 3341 on the 3d of March 1958 by a unanimous vote. The



comparable section in H. R. 12954 is section 605 of title 6.

All we need to do to extend these important and vital programs is to call these three bills up under unanimous consent and pass them in a few minutes. Then we can take whatever time we need for this food grain and fiber bill and not, as the gentleman from Mississippi said, act like children.

Mr. DELANEY. Mr. Speaker, I yield 4 minutes to the gentleman from Florida [Mr. MANSFIELD].

Mr. MATTHEWS. Mr. Speaker, I rise in favor of this rule and I certainly hope that we will approve the rule by an overwhelming majority and, as has been indicated before, give the House the opportunity to work its will on this important piece of legislation.

I intend to vote for this bill. I do not know whether I shall vote for some of the amendments or not, but I certainly intend to vote for the basic principles of the bill because I think it represents an honest effort to help the American farmer and at the same time be fair to the American consumer.

There are those who will tell you that this bill, if passed, will cost a tremendous amount of money. I happen to think that we have good evidence and can prove that this bill will cost less money if the particular program as envisioned in this legislation is passed than would be the case otherwise. To be specific, if we do not do something about feed grains, what kind of a program are we going to have next year to store millions and millions of extra bushels of wheat and corn that we are producing this year? If we do not have some kind of a program such as suggested in this omnibus approach, what are we going to do to compensate the farmer for what I think is going to be a 25- to 50-percent reduction in his livestock prices next year? How can we figure the expense, I repeat again, of these propositions that will face us inevitably in the future if we do not do something today about the plight of the farmer?

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. I am sure every Member of the House understands the condition of the farmer today. To vote down this rule will only make it that much more difficult. We should agree to the rule and I hope the House will pass the rule today.

Mr. MATTHEWS. I thank the gentleman.

Mr. Speaker, I know my colleagues from city areas are naturally concerned about the cost to the consumer. Let me talk to you earnestly for just a moment. I think those who represent the farm areas in this country have a deep appreciation for their friends in the city areas. We believe those in the city areas desire to give the farmers a fair deal.

Let me say to you that the price the consumer pays in the market place often has nothing to do with the price that the farmer receives for his products. In the House restaurant today we are eating a little slice of watermelon that costs us

50 cents a slice. The watermelon growers in my district in Florida, in the great State of Georgia, and in other areas of this country cannot get enough for their watermelons to pay them to load the watermelons on the trucks. They are getting three-quarters of a cent a pound, maybe less; yet down here in the House restaurant you are paying 50 cents a slice for watermelon. If you go to the market place you will find watermelons priced at around 5 cents a pound. I could not understand that until I became a member of the Committee on Agriculture. I repeat again that the price the consumer pays in the market place, in my opinion, often does not have one thing in the world to do with the price that the farmer receives for his produce.

This bill has legislation in it which is fair to both the farmer and consumer. I sincerely hope the rule is overwhelmingly passed and that the House will work its will on this important legislation.

The SPEAKER. The time of the gentleman from Florida has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. KILBURN].

(Mr. KILBURN asked and was given permission to revise and extend his remarks.)

Mr. KILBURN. Mr. Speaker, I rise in opposition to title 6 of this proposed legislation, the so-called self-help dairy provision.

First, it should be made clear that this bill was voted out of the House Agricultural Committee and a rule was granted by the Rules Committee on a strictly party vote. The Democrats forced the bill to the floor over the opposition of the Republicans on both committees. The Agricultural Committee had the opportunity to report a truly self-help dairy measure that would have been acceptable to the dairymen of this country. Instead the Democrats on the committee chose to force out title 6 without hearings.

I regret very much that a constructive dairy bill was not reported.

There has been much talk about self-help for dairy farmers, and the Committee on Agriculture has been considering so-called self-help proposals for many weeks. No doubt it is hoped that this catchword, this popular label—self-help—will obscure the deficiencies of the measure under consideration. But I would point out to the Members that title 6 of the omnibus bill is really a last minute switch from the self-help measures previously considered. I would point out further that it was approved without hearings.

We are all in favor of self-help. But this bill is not self-help for the dairy farmer.

It is a proposal to regiment the dairy farmer.

It is a proposal that will destroy markets for dairy products.

It is a proposal that will increase the prices consumers pay for milk without increasing the returns farmers receive.

This is frankly a marketing quota program for dairy farmers. If a majority of milk producers voting in a referendum

approve this proposal, here is what would result:

The Secretary of Agriculture would be required to establish a base for each milk producer.

A Federal Dairy Board of 15 members would be set up and given authority to invoke marketing quotas on milk and set the amount of such quotas.

The dairy farmers of New York, and dairy farmers throughout the country would face the prospect of sharp cuts in production, based on their previous history.

A new horde of bureaucrats would be needed to administer the quotas program.

Thus far production and marketing quotas have been avoided on livestock enterprises. We have seen the sorry results allotments and quotas have produced on the basic crops—markets lost—production reduced so low as to cripple farm operating efficiency—management decisions taken out of farmers' hands—inroads made by competing products. Surely, this record is not good enough that we want to see quotas applied to milk.

This bill combines such immediately needed and sound measures as the extension of the school milk and veterans and armed services milk programs with provisions that would be disastrous for dairy producers. Let us keep the good and eliminate the bad.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, it is unusual for me, representing a fine agricultural district, to be down in the well of the House opposing a rule that farm legislation may be brought up for consideration. But, in my considered judgment, this is far from being a farm bill. This is a hodge-podge. It is a monstrosity. It is a piece of legislation which can do no one any good; but, on the contrary do a great deal of harm to the farmer and the country. It presents an entirely unworkable program which would impose strict regulations on our farmers and severe penalties for non-compliance. The penalties are so severe that they may be said to be punitive. For example, the feed grain farmers who produce in excess of their quotas will be penalized at the rate of \$1 per bushel, and until the penalty is paid in full a lien can be placed on their entire crop.

The pathetic thing is that this atrocious bill does include some of the program's proven value mentioned here earlier in the day which, as has been pointed out, can quickly be passed under suspension of the rules.

One of these is what is commonly known as Public Law 480 which permits the United States to sell agricultural surpluses to our friends abroad, with payment for them being made in the currency of the importing country. Under this program our agricultural exports have risen year after year since its enactment. This year these exports are expected to reach \$4 billion. This program has been an important factor in reducing agriculture surpluses, which



depress domestic prices. It has proven to be an important factor in improving our relations with many countries of the world, and it has done much for increasing the income of the farmers.

This extremely meritorious program, about which there is no controversy, is due to expire on June 30—just 4 days from now. Why has the Committee on Agriculture delayed in reporting a bill for its extension? In my judgment the delay was for the sole purpose to make the omnibus farm bill more palatable. This delay, for which there is no legitimate excuse, has already resulted in the loss of exports. It must be borne in mind that considerable time is necessarily involved in the negotiation of trade agreements with foreign countries and for their administrative implementation.

A second meritorious feature incorporated in this bill is the school milk program, which also expires on June 30—just 4 days hence. It could have been, and should have been, extended many months ago. There is no legitimate reason for this delay. In my considered judgment the delay was deliberate in order to try to impress the House with the urgency of the situation on the theory that we would be more disposed to accept the committee bill notwithstanding its undesirable features.

In this school milk program there are 5,000 summer camps and recreational facilities involved. In the summertime 1 million schoolchildren participate; 900 child care institutions and numerous summer schools participate. All these will be deprived of this milk if this program is allowed to expire.

The third meritorious program incorporated in this omnibus farm bill is the Wool Act. It is due to expire on March 31. There is no controversy about it, and the law should be speedily extended.

But there are other titles in the bill which are unsound, costly, and unworkable. Take a look at title 6, with respect to the price-support marketing quota program for milk. Take a special look at the compliance provision. It sets up a special fund into which all dairy farmers who sell milk into commercial channels make a deposit. If he should over produce, he forfeits his deposit and those who do not, get a refund.

I want to ask you one simple question. What goes on in this country of ours? Is that what we are trying to do, farm by penalty throughout this great Nation of ours? This is a complete departure from the normal process of a free enterprise system. We really should strive to take off the restrictions on the farmers rather than impose more on the producer of any commodity, whomever he may be.

Let me refer for a minute to corn, which is our main commodity in the Middle West. Title 7, entitled "Feed Grains," suspends for 3 years corn allotments and the commercial corn area. It puts corn on the same basis as any other feed grain. I call your special attention to the fact that this section would mean the reimposition of marketing quotas. I especially call attention, particularly to the Members from the corn-producing area, that this section of

the bill would permit feed grain farmers of other areas of the country to impose compulsory regulations and controls with fines on the commercial corn area.

Before you vote on this rule to make in order this monstrosity of a farm bill, with all its unworkable and punitive provisions, I ask that you take a close look at this title of the bill. Any Member from the corn area who would cast his vote for what is proposed in this bill will be voting against the very people he represents and their best interests.

Therefore in all earnestness I am urging you to vote down this rule. This rule should be defeated. Just as quickly as the Agriculture Committee can report out the three desirable features of this bill they can be passed under suspension of the rules along with the other suspensions scheduled for tomorrow or Monday. We will thus be able to extend these desirable features before the expiration date of next Monday night. We can then go ahead on the basis of what might need to be done in the whole field of agriculture.

I implore you, look carefully at this bill now before us and do what is in the best interests of agriculture. That is our responsibility.

Mr. DELANEY. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, I ask this time in order to ascertain for my own information and for the information of my colleagues from West Virginia, what is happening to Public Law 480 under this legislation? It will be recalled that I spent 3 years in an effort, and finally succeeded, to get legislation written into Public Law 480 to require the Commodity Credit Corporation to process wheat into flour and corn into meal for distribution to the hungry people of sections of this country who need these surplus foods.

May I say to my colleagues that in 1 county in my district 26,000 out of 81,300 people are today living on surplus Government food. They appreciate getting the flour and meal. I want to know whether anything is going to happen to that provision that requires the Commodity Credit Corporation to process and to provide that food. I ask that question of the chairman of the committee.

Mr. COOLEY. This bill extends Public Law 480. It does not disturb the provision about which the gentleman is speaking.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may desire to the gentleman from Nebraska [Mr. MILLER].

(Mr. MILLER of Nebraska asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MILLER of Nebraska. Mr. Speaker, the omnibus agriculture bill for 1958 as brought to the floor today was certainly a monstrosity born of desperation. If this bill ever becomes law it will have so many defects that even the best surgeon cannot cure it. The very formulation of this bill brings the fact crystal clear that a renaissance is needed in agriculture. I think all of us realize that the only true solution to the farm problem will be when we get the farmer back on the old law-of supply and de-

mand, the day when he will be free of Government subsidies, Government handouts, and Government interference. I believe that all of us want a free agriculture and should aim our best efforts in that direction. Of course, that day cannot come until we have found methods of ridding ourselves of the huge surpluses.

It occurs to me that it is almost impossible to write an omnibus farm bill which will satisfy all sections of the country. What is good for the South may not be good for the Midwest. What is good for the East may not be good for the West. The problems of the various areas of our country are so different it is hard to tie them together in one bill. It is also impossible because the larger farm organizations themselves are not and probably can never be in agreement as to the type of bill that should be enacted or the policies which are best for agriculture.

It is difficult to approach the subject from a commodity standpoint—wheat, corn, cotton, tobacco, and so forth.

I am particularly interested in the domestic parity plan for wheat. The principles of domestic parity have been passed by Congress twice. Wheat growers of the country want to try the plan. When in operation, this program will not cost the Government a cent. It will be a sort of self-help plan which I feel has great deal of merit. I believe it should be tried out.

I have heard several of my colleagues say they think it would raise the cost of bread. It is not a plan to raise the bread cost. Let me point out to you that when wheat was some \$2.20 a bushel, bread was about 16 cents or 17 cents a loaf. Today with the \$1.80 wheat, bread is 24 cents or 25 cents a loaf. This increased cost does not come from the value of the wheat but it comes from processing, handling, packaging, and other labor and materials that go into the processing and selling of this type of food. Actually the amount of wheat in that loaf of bread is mighty small. Probably averaging less than 3 cents worth for each loaf.

Here is another problem which I feel the Congress should consider—that the high protein and high gluten wheat, which is raised in some of our Midwestern States, should not be kept in short supply by the constant reduction in the number of acres that can be planted. In my own State of Nebraska we raise a very high type wheat. It is premium wheat that is in high demand. The demand in this case exceeds the supply and I see no reason why our farmers should not be permitted to plant sufficient acreage to meet that demand.

We have still another problem in Nebraska in which the Department of Agriculture in Washington and the State and county offices seem to have had their wires crossed. That problem is one of cutting allotments or making readjustment of the acreage allotments in the State. I have received many letters to the effect the present policy actually results in some of the smaller wheat growers taking a considerable cut in acreage while the larger growers actually get ad-



ditional acreage. In other words the small farmer in some cases is being penalized while the big grower gets a bonus. This will probably result in many lawsuits in Nebraska. I think the time has come when we should have more coordination between the Department of Agriculture in Washington and the representatives of that Department at the State and county levels.

The farm bill does contain some sections which urgently need to be passed. For example, the Public Law 480 section dealing with the export of farm products; the section dealing with wool and the school milk program and some others. I presume the committee saw fit to add some of the good things to this hodgepodge of bad in order to push through some of the sections which they knew full well would call for a veto.

We continue to be harassed by the surplus problem. I think it is time to stop talking and get some action. More research is needed to get rid of our surpluses. I am interested in a food stamp plan which has been advanced. While it needs some clarification I think the objective is good. I think it would be all right to use some of this surplus grain for the manufacturing of food for the needy people of our country. I would also like to see some of these surplus grains used in the manufacture of industrial alcohol. Other industrial uses can also be found.

Mr. Speaker, while I think many parts of this bill are bad and should not pass, there are some parts that should be approved. I have always taken the position that while I might be opposed to a bill, I have voted to permit the House to discuss the merits of the legislation. It is possible, the bill could be amended and will turn out to be a good one. If that cannot be done, I would vote against the legislation. I think the House ought to have the right to work its will upon this bill. My philosophy has been with Voltaire, "I disapprove of what you say, but I will defend to the death your right to say it."

Mr. DELANEY. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, first let me state that I requested a few minutes on our side of the House, to be heard in favor of the rule. I regret that I was forced to ask the courtesy of being granted time by the gentleman from New York [Mr. DELANEY]. After all, I do like to make my request, as it should be done, of the gentleman from the Rules Committee handling the bill on our side of the House. I regret that they would not give me that privilege, and I thank the gentleman from New York for granting me this time.

Now, why am I for this rule?

Mr. BROWN of Ohio. If the gentleman will yield, I did offer to give the gentleman some time.

Mr. H. CARL ANDERSEN. The gentleman did offer me 1 minute.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. H. CARL ANDERSEN. I refuse to yield further.

Why am I for this rule? I would like nothing better, in any congressional district, to go out and tell the people of that district that the man running against me even refused to give to the farmers of America their day in court, here in the House of Representatives. What difference does it make what the Members of the House feel about what is in this particular bill? They can work their will when we go into Committee of the Whole. Why should we now say that we are not going even to take it up? I disagree with the argument against so-called controls in the bill when in making his speech the speaker did not even refer to the fact that after all, according to the bill itself, the farmers of America who produce feed grains will have the opportunity to say by referendum vote whether or not they want to clap controls upon themselves. Why did he not bring that out in his speech? He just brought out one side of the picture.

Mr. Speaker, you will find in the bulk of this bill, in the various sections, that the Committee on Agriculture has afforded to the farmers of America the privilege of saying whether they want this program or whether they want that program.

One of my friends from Pennsylvania warned the consumers against giving to the farmers of the Nation a possible \$2 or \$3 billion in increased gross income if a bill of this nature were passed. Let me tell you people from Detroit, for example, where you have been in the doldrums because of the lack of your ability to sell automobiles, that if the farmers of America had the proper purchasing power they would today have bought those 800,000 new automobiles that cannot be sold as of this time. 800,000 new automobiles priced at about \$4,000 apiece amounts to about \$3 billion, and that is the amount which the farmers of America are being short-changed today.

Getting back to the rule, are you going back to the farmers in your district and say, "Oh, I didn't like the bill, I refused to give the majority of the House an opportunity to say what it thought, so I just voted no rule at all, no day in court"?

My good friend from Colorado [Mr. HILL] brought out that there was a real danger of losing these Public Law 480 programs, and this and that. The gentleman knows that this Congress has ways even 14 days from now of putting into effect good programs of that nature, if necessary. We have seen that happen time and time again. That is no excuse for killing this rule today. I hope sincerely that each and every one of you who can do so will vote to permit this omnibus bill to have proper consideration on the floor of the House.

Mr. Speaker, I consider it imperative that we approve this rule and proceed with the consideration of the omnibus farm bill.

I recognize that the bill is not entirely to the liking of many of us, and I know that there is strong objection to some of its provisions. But that is true of most of the important legislation brought before us, and if we insisted upon a com-

pletely acceptable bill before we would grant a rule for its consideration there would be no legislation.

It is the very purpose of a legislative body to take up and debate various proposals so each Member may have his or her say on the provisions of each measure. There are some features of this omnibus farm bill which do not entirely meet with my approval, and there are others which are of no immediate concern to me or the district I have the privilege to represent in the Congress. But I believe fundamentally that farmers—like anyone else—are entitled to their day in court and that the advocates of the various sections of this bill are entitled to have them debated.

Of course this is a complex and controversial measure. Ever since I have been here, it seems that all farm bills have been controversial. As a matter of fact, I have seen very few bills of any consequence brought up in the House which were not controversial in some respects. Just because this bill is controversial is no reason whatsoever to defeat this rule for its consideration.

The thing to keep in mind is the fact that each and every provision is of vital importance to some segment of our Nation. Cotton farmers in the South look to us for action on their problems. Southern rice producers have their peculiar problems and a solution is proposed.

Wheat farmers from Texas to Canada are asking us to do something constructive about their problems, and dairy farmers all over the Nation are looking to us for action.

Corn, feed grain, and livestock farmers in the Midwest and elsewhere need most urgently a new program to stabilize and sustain their markets.

Farmers in every State in the Union have a vital interest in some section or provision of this bill. Wool producers have a critical need for the extension of their program. Our milk programs for children, veterans, and servicemen must be extended.

Not only farmers but all our people look to us for action to continue the Public Law 480 program which has been applauded both at home and abroad.

If it be the will of the majority, we can modify, amend, or even eliminate certain sections of the bill. I have amendments of my own all drawn up which I will offer at the proper time in an effort to perfect the measure. There are undoubtedly others prepared to undertake improvements as we consider this bill.

This is no time for arbitrary action. This is no time to condemn the whole bill just because you may happen to disapprove of some feature it now contains. This is an open rule which, if adopted, will bring the measure before us in a manner which will permit the majority to work its will.

There can be no justifiable reason for voting against this rule other than a desire to thwart the wishes of a majority in the consideration, section by section, of this omnibus bill.

We have heard some strange and unusual arguments against the rule.



Think, if you will, of the weakness of some of these arguments.

One opponent bemoaned the fact that penalties were provided for farmers who did not comply with the new provisions. He voiced the argument we hear so often that farmers want to be freed of regimentation and control. Why did he not tell the whole story? Why did he not tell the House that the very sections about which he complained also provided for referendums so farmers themselves could decide by secret ballot whether they wanted the controls or not? The truth is that dairy farmers, wheat farmers, cotton farmers, and corn farmers would all be given the opportunity, by referendum, to say "Yes" or "No" to each and every one of these programs.

Another said that consumers would have to pay the bill. What have these consumer advocates had to say about the lost sales in rural America for the manufactured products their constituents produce? What do they have to say in Detroit, for example, about the lost market for automobiles which has resulted in short workweeks and layoffs of thousands? It is shortsighted in the extreme to deny to farm people a fair price for what they produce simply because someone says that fair price would raise the price of a loaf of bread 1 cent. I say to you that if we can judge the future by the past, the middle men may raise your bread a cent a loaf whether we pass farm legislation or not. Anybody who knows anything about our economy knows that consumer prices have gone up at the same time prices paid the producers have gone down. The balance between the two has been lost, and we all know it.

Some one else complained about the high cost of these new programs. They did not complain the other week about the high cost of foreign aid, but today they say our own people are not entitled to a break in the Congress of the United States. I take particular exception to the charges relative to the cost of the feed grain section. They did not bother to tell you how these expenditures would be made. They did not tell you that surplus CCC stocks would be used to pay the bill—and what could be more sensible than that? It would simply be a matter of taking money out of one pocket and putting it in another. Under this proposal, we would have the good judgment to take CCC stocks, which are costing us a million dollars a day in storage costs alone, and use them to reimburse farmers for reducing production.

Another critic complained that no one understood the bill, and I ask how they could ever understand it if we do not adopt this rule and bring the bill up for debate and amendment.

There are some vitally important provisions in this bill. They need action, and they need it now. I am surprised at this opposition because every word I have had from farmers and farm organizations has been either in favor of the bill or, at least, in favor of the rule. I just had a call moments ago, for example, from a newspaper editor in my district who advised that Farm Bureau leaders asked him to call me to urge that I support the rule and bring this bill out into

the open for free and active debate. I commend these farm spokesmen for their objective interest and am glad to lend my voice to the plea for approval of this rule. I urgently hope that it will be adopted.

In the national good, Mr. Speaker, let us set aside any sectional or partisan feelings and get on with the job of writing some important farm legislation into law. All legislation is a compromise—and this bill is no exception. I hope the rule is approved so we will have an opportunity to pass judgment on the merits of each and every proposal contained in this omnibus farm bill. That is the only proper way to handle a bill of this nature.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself 10 seconds to explain to the House that when the gentleman from Minnesota [Mr. H. CARL ANDERSEN], requested time from me all time had already been allotted. I had only 1 minute available left and offered it to him. I feel it was not my duty or responsibility to take time away from some other person to whom it had already been promised in order to grant time to my colleague [Mr. H. CARL ANDERSEN].

Mr. Speaker, I yield 50 seconds to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, there are at least three very important parts of this bill that everybody is for and wants to see promptly enacted, because they merely extend programs that will otherwise expire on June 30. Suppose we pass this omnibus bill tomorrow, or Saturday. There is not the remotest chance of its being acted upon by the Senate and getting to the President by Monday night. So to take up and even to pass this bill, assuming it can be passed, is to guarantee that the school milk program, and Public Law 480 for selling abroad our farm surpluses, will expire next Monday night. There is only one possible way of continuing those programs that everybody wants to have continued, and that is to vote down this rule and then have the House adopt, under suspension of the rules, the Senate bills extending the programs and already passed by that body. That will send the bills to the President at once. It is the only way to keep those essential programs going, and without in any way prejudicing the other parts of this farm bill.

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. HOEVEN], a member of the Committee on Agriculture.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Speaker, I yield to no one in my loyal support of the American farmer. My legislative record in that regard speaks for itself. However, we must all become realists when this type of legislation comes along.

We are confronted here today with a complex piece of legislation, and no one knows that better than the members of the House Committee on Agriculture. With all due respect to those who favor the rule, I want to say that you should immediately acquaint yourselves with the many ramifications of the bill.

It is highly essential that we take a sensible approach to this entire problem

if we really want farm legislation. In reality, this bill is so complex that it is almost impossible to understand all of its provisions. Even members of the Agriculture Committee differ as to the interpretation of various sections of the bill. We need more time to study the controversial sections.

Everyone knows that this bill, in its present form, positively cannot be enacted into law. As authority for that statement, I have no better authority than the chairman of the Committee on Agriculture himself who has said so publicly. The gentleman from Pennsylvania [Mr. WALTER] made some inquiry as to the cost of this bill as it affects consumers. Let me say to the gentleman, the overall cost of the bill in its present form will be \$2 billion to \$3 billion a year in addition to the present farm programs. I wish you people from the industrial areas and those representing consumer groups would listen to this. Here are some figures furnished me by the Department of Agriculture:

#### COST STATEMENT

##### Additional consumer costs:

1. Wheat section: \$300 million per year (at least 1 cent per loaf).
2. Dairy section: \$500 million per year: Milk, 1½ cents per quart; butter, 9 cents—10 cents per pound; cheese, 8 cents per pound.

##### Additional Government costs:

1. Cotton section: \$400 to \$500 million for each of 3 years.
2. Feed grains section: \$450 million for each of 3 years.

The wheat section of the bill will cost about \$300 million a year. It will raise the price of bread at least one cent a loaf. The dairy section will cost about \$500 million per year. It will raise the cost of milk 1½ cents per quart. It will raise the price of butter 9 cents or 10 cents per pound and it will raise the price of cheese 8 cents per pound, thus putting every cheese producer out of business. In addition, the cotton section will cost from \$400 million to \$500 million for each of the next 3 years. The feed grain section will cost at least \$450 million a year for the next 3 years, making the total cost of the bill about \$1,700,000,000 per year in addition to the farm programs we now have. Now that is something for all of us to think about. I am for good, sound farm legislation, but simply cannot swallow this one package deal which I know will prove detrimental not only to my Iowa farmers, but Iowa consumers as well. We should immediately extend Public Law 480. We should immediately vote for the extension of the milk program which provides for the distribution of milk to the schoolchildren of America, to the veterans and to the hospitals, of this country. The best way you can guarantee that these two emergency measures are going to expire on next Monday night is to vote for the rule. If you vote down the rule, we can then under suspension of the rules with the Speaker's permission, enact the extension of Public Law 480 in a matter of minutes. We can enact the extension of the milk bill in a matter of minutes. Again there is little or no controversy about the wool section. We can take care of that item rather promptly. There is little or no



controversy about the tung nut section. Let us therefore take the essential, emergency, parts of the legislation out of the bill right now for time is of the essence. We then can devote some time to the controversial sections of the bill and try to iron out our differences. I am for a good, workable corn-feed grain program, but want to be assured that marketing quotas on corn are not reimposed. In 1954 we repealed marketing quotas on corn because they were impractical and unworkable. Furthermore, I object to the small corn and feed grain farmers of the South voting strict controls with fines on the farmers of the Corn Belt without their consent. In summary then, the bill is too complex and impossible of administration; the bill cannot be enacted into law. The cost is absolutely prohibitive, and it will not inure to the benefit of either farmers or consumers to enact the legislation in its present form. Let us therefore do the sensible thing. Let us take out of the bill, and pass the emergency measures, which certainly will be to the best interest of both farmers, and consumers. Let us quit this shadow boxing. Let us do the things that are necessary, and put first things first. I think the country will applaud us for our efforts if we work in that direction.

The SPEAKER. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may desire to the gentleman from Utah [Mr. Dawson].

(Mr. DAWSON of Utah asked and was given permission to revise and extend his remarks.)

Mr. DAWSON of Utah. Once again, Mr. Speaker, the House is confronted with another bitter pill concocted by a majority of the members of the House Agriculture Committee as a cure for what is mistakenly called the farm problem. This medicine composed as it of surplus-producing rigid price supports, income-cutting acreage allotments and freedom-stifling Government interference, has made large numbers of our farm population sick in the past. Yet the supporters of this bill ask us to continue this treatment for another 3 years. It does not make sense.

The only major difference in theory between the program advanced today and that which was last before us and subsequently vetoed by the President is that the discredited medicine it again prescribes is chocolate coated. The sponsors of this bill by lumping in good and proven agricultural programs with the bad have tried to create a take-it-or-leave-it situation. The Members of this House and our farm population back home will not be misled by these political tactics. We must through amendment separate the grain from the chaff in this legislation. It is regrettable that this task is assigned to the membership as a whole because it is a task that properly should have been taken care of by the committee.

I am no agricultural expert and I do not intend to attack portions of this legislation in detail. However, there are a few features that I believe deserve some comment.

We are constantly beset—particularly by those supporting this measure—with arguments that we must do something to help the small farmer. Yet this legislation in some respects takes the financial fate of the small farmer and puts it in the hands of the giants who will set the rules by referendum.

Small wheat farmers—those producing less than 15 acres—will not be eligible to vote for parity plans proposed in this legislation. Yet they will be bound by the program approved by the large operators. Now the small farmer can market his entire production without penalty. Under this legislation, however, he will be penalized if he exceeds his allotment. In effect we turn over the lawmaking authority to the large farmer, provide through the Department of Agriculture the enforcement machinery and leave the small farmer without a voice in his future.

The same objection applies to the small grower of feed grains. This legislation denies small farmer the right to vote for the type of program to be adopted, but it makes him subject to the acreage limitations such a program, if adopted, imposes.

Mr. Speaker, each year as this measure comes before us I have risen to observe that in the areas where there is independence in agriculture, the producer is financially better off. The farmer who is in trouble is the one who grows crops which have come under the withering hands of Government regulation. This is all the more tragic in that these stifling programs are adopted under the guise of helping the farm economy.

If the major defects of this bill cannot be surgically removed by major amendments on this floor, the entire measure should be defeated.

Mr. DELANEY. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. Poage].

Mr. POAGE. Mr. Speaker, we are witnessing some of the most remarkable examples of change in position which I have ever seen in this House. Members who have for months advocated the joint consideration of these farm programs suddenly find themselves advocating separate action. Members who as lately as yesterday felt it unnecessary to attend the meeting of the committee at which amendments to this very bill were to be considered now feel that the welfare of the country is jeopardized by the delay that has taken place, yet ironically enough, the necessity of adjournment of the committee because Members broke a quorum in times past has always sprung from the walkout of Members who are presently suggesting that this bill should have been brought to the House at an earlier date.

The distinguished gentleman who just preceded me the gentleman from Iowa [Mr. Hoeven], is today opposed to the corn and feed grain section of the bill. This is, of course, his right. But it was not his position at the time the section was favorably reported by the subcommittee of which he is a distinguished member. I was chairman of the sub-

committee and we worked for 6 months. As chairman, I am happy to bear witness that the gentleman from Iowa worked as diligently and as helpfully as any member of that subcommittee. All the members of that subcommittee, Republicans as well as Democrats, worked hard, trying in good faith to get a good non-partisan bill. I think we did just that and they surely thought so a few days ago because every member of that subcommittee voted in favor of reporting this section of the bill, just as it is now written in the bill presently before you. There has not been a change made in this section by the full committee. It is word for word like it came out of the subcommittee. Every member, Republican and Democrat, voted for it.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. COOLEY. I was amazed in hearing our colleague from Iowa say what he did. He was a member of the committee and he helped write the bill and voted for it.

Mr. POAGE. I must say that the gentleman from Iowa [Mr. Hoeven] probably had a greater part in writing this particular section than any other Member. There is not one sentence in this section to which the gentleman from Iowa objected in the subcommittee. There was not one single suggestion presented by the gentleman from Iowa that is not incorporated in this section of the bill.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. POAGE. Of course, I am happy to yield to my distinguished colleague.

Mr. HOEVEN. I am not disputing what the gentleman is saying, but if the gentleman from Texas will recall that even though we did devote a lot of time to the feed grain section of this bill, I said, categorically and specifically in subcommittee and in the full committee, that even though I may favor some sections of the feed grain bill that I under no circumstances would be bound to take, hook, line and sinker, any other sections of the bill.

Mr. POAGE. That is exactly right. I am talking about the feed grain section. I have referred to no other section. I am sure that the gentleman had reservations in regard to some of the other sections, but I am sure that there is not one provision in the feed grain section to which the gentleman did object. There is not one provision that the gentleman suggested should go into that section which is not in it. The gentleman voted for the feed grain section a few days ago. The gentleman has a right to change his mind, and all I point out is that he did change his mind. All I want to point out is that there has been a remarkable change of viewpoint. It is not a question of the gentleman's right to change his mind. He has a perfect right to do so.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. JENNINGS. I have understood some of the gentleman who have spoken



here, members of the committee who have worked so hard, say that they wanted to have the farmers to have some freedom. Does not this bill give them the freedom, just the thing they may select by referendum, by ballot, exactly whether they want freedom of choice, to which the gentleman refers, or whether they want the other provisions of this bill.

Mr. POAGE. For the first time in the history of farm legislation this bill offers the farmers a real choice, and the existence of that choice was emphasized time and again during the meetings of our subcommittee. We want to actually know where the farmers stand. Nobody knows today. We would like to know. This bill, if adopted, will give us an opportunity, not only on feed grains but in dairying, and wheat, and in cotton, to have a real choice by the farmers between relatively high supports with strict controls on the one hand, or low supports and lesser or no controls on the other hand.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. DELANEY. Mr. Speaker, I yield the balance of my time to the gentleman from Texas [Mr. POAGE].

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. COOLEY. Is it not also true that the entire committee insisted on keeping this bill intact?

Mr. POAGE. That is true. If my memory serves me right, it was the gentleman who just preceded me, the gentleman from Iowa [Mr. HOEVEN], after working so hard and so diligently on this bill, who objected when the ranking Republican on our committee suggested that we take out Public Law 480. The gentleman from Iowa objected to taking it out and said, "You must keep this comprehensive bill intact." That was in the full committee.

Mr. JENNINGS. Mr. Speaker, will the gentleman yield?

Mr. POAGE. I yield.

Mr. JENNINGS. Will not a vote against this bill serve to deny the farmers that opportunity to vote on the program that he desires?

Mr. POAGE. Of course, it will, but apparently some of our Republican colleagues who just a few days ago agreed that we must pass a comprehensive bill do not now desire any program. The question now before us is not whether the American farmer is going to have a chance to make a choice but whether this House is going to have any chance to express its wishes on any farm bill. I well recall that our present Secretary of Agriculture pointed out 2 years ago that we should make it a basic principle of farm policy to secure and follow the wishes of farmers. Of course, Mr. Benson has, just this week, repudiated that viewpoint, just as some of our colleagues have so recently repudiated their previously held viewpoint that this House should consider and act on all of the items contained in this bill.

There has been some disposition to try to slur over the facts, but I am sure that every Member recognizes that should this

rule be defeated that it would mean not only the second time this session that the Republicans have scuttled general farm legislation but it would also mean that we would be denied any opportunity to secure the very items which our friends profess to still support. If, in fact, there are objectionable features of the bill, should it not be taken up, considered on its merits, and any provision which does not appeal to the majority eliminated. The committee has not asked for a closed rule. We recognize the right of any Member to object to any item. We recognize the right of the majority to change or eliminate any item. But a vote against this rule is a vote against every item in this bill.

Just one more point: I call the attention of this House to the fact that this bill for the first time not only gives the farmers a choice in almost every section, but it does another thing that the present Secretary of Agriculture said should be done and most of us agree should be done. It puts these commodities in the market rather than in the warehouse. It puts our feed grains in the market, it puts our wheat in the market, it puts our milk in the market, it puts our cotton in the market rather than in the warehouse.

We are paying more than a million dollars a day storage on agricultural commodities. I think we ought to put these commodities into the market where they will move into consumption rather than in a warehouse. This bill will put commodities in the market and there is not anybody who will be bold enough to suggest that it will not. It will put them in the market on somewhat different plans for different commodities because they must be handled differently, but in each case it will be by a plan approved by farmers, not something handed down by a department not something that you and I decided was the best, but it will for the first time give the farmers a real, a sincere, and an honest choice between the question of whether he wants controls on the one hand with high supports—a position many of us have supported but which some have said was unwise—or on the other hand for no control with low supports.

If, in fact, the farmers want the low supports, and they vote for them, then I will be very happy to go right along with a low support program but let the farmers of America not Mr. Benson say that is what they want. Nor will you be voting simply for farmers, if you vote for this bill. You will be also voting for taxpayers. The present feed grain program is costing in excess of half a billion dollars. The wheat program may soon reach a billion dollars cost to the government. This bill takes that burden off the taxpayer. I know that it was charged that this is a bread tax. That canard is typical of the slander of farmers in which some people who are paid to protect farmers have engaged in recent years.

As a matter of fact when wheat brought \$2.25 per bushel, bread sold for 13 cents per pound. With wheat presently selling at \$1.80 or less per bushel

bread is selling at about 19 cents per pound. Maybe the consumer is getting hurt by the same low farm prices which are ruining the farmer.

What we actually need, my friends, is an effort to understand farm problems. A willingness on the part of city people to try to solve farm problems—not a further widening of the breach which Mr. Benson has encouraged. The prosperity of America is indivisible just as the problems of agriculture are indivisible. That is why we bring you a comprehensive farm bill dealing with many separate problems. Together they make up the most difficult economic problem of our Nation. I plead with you to meet these problems by taking up and considering this bill.

Mr. BROWN of Ohio. Mr. Speaker, I yield the balance of the time available to this side to the gentleman from Indiana [Mr. HALLECK].

The SPEAKER. The gentleman from Indiana is recognized for 5 minutes.

Mr. HALLECK. Mr. Speaker, I think, first of all, enough has been said today to demonstrate quite conclusively that this is a highly controversial bill in many of its sections. Many of them are not controversial, but many of them are. It is quite apparent that if we are to adopt this rule and take up the consideration of this bill, the 5 hours of general debate will be used up, and we will be here no one knows how long under the 5-minute rule; and, believe me, we have got a lot of important legislation to consider between now and Monday evening.

Yesterday I voiced a few objections to calling this bill up at this time. One of them, incidentally, was that nine members of the Indiana delegation wanted to attend our State convention, but we have passed that up, I am sorry to say. However, the really important reason why I said this should not come up at this time is that a bill as complex as this, as far-reaching as this, that is estimated to cost 2 or 3 billions of dollars additional should not be here on the floor at this time.

We have other important matters that are running up against the deadline of next Monday evening, not to mention parts of this bill which are affected by that deadline. I know there are some people who say we should vote for every rule, but to my mind this is a far different situation.

I have mentioned the fact that the fiscal year is running out Monday evening. By unanimous consent agreement suspensions are in order today and tomorrow; 16 of them are listed in the CONGRESSIONAL RECORD as being up for consideration. In addition to that we have important conference reports, the conference report on the excise tax bill and others. If someone should be determined enough in the consideration of this farm bill he could keep it before us for consideration well into next week.

What is the situation? It has been said so many times that I almost hesitate to mention it again, but everyone agrees that Public Law 480 is a most important part of our domestic and foreign policy operation. If you adopt this rule and try to pass this legislation you



will have no chance to get action in the other body in time to prevent the expiration of Public Law 480, the milk program, the school lunch program, and others. The other body is considering statehood for Alaska, according to the CONGRESSIONAL RECORD, and is talking about a deadline of July 3.

They are worrying about whether they can pass the Alaska statehood bill by that time. The other body has to act on the conference report on the extension of excise taxes. They have other things that are pressing them, even as we have things pressing us over here.

So, all I can say to you is that if you insist on going on with the consideration of this bill in the manner provided by this rule, in the first place you will argue over these controversial sections for hours and hours and hours. I have heard enough in private conversations and here in the debate on the floor to know that the majority of the members of the committee are not in favor of many of these sections, they do not want them, they know they are unworkable and wrong. But if we go on with this procedure what we are going to do is pull the curtain down on the milk program and on the operation of Public Law 480. Of course, you can extend it at some later date, but whatever time elapses you have lost just that much momentum. It takes months to get those programs worked out.

Again may I say, and it is repetitious, unanimous consent has been given for a number of suspensions today. The minority leader, the gentleman from Massachusetts [Mr. MARTIN], has told me that he would not object to a unanimous consent request for suspension of the rules to pass the important parts of this bill that are not controversial. Why should that not be done? If we will vote down this rule the chairman of this great committee can take the Senate bill, S. 3420, which is the extension of Public Law 480, move to suspend the rules and include the provisions of the Senate bill on the Milk Extension Act and pass those two bills in the form in which they passed the other body. They would then go directly to the President. These two very important matters would not even have to go back to the other body and would not have to go to conference. They would become law and we would prevent the lapse that I say could well be disastrous for the best interests of this country.

Mr. Speaker, I earnestly trust this rule will be voted down.

Mr. KEATING. Mr. Speaker, H. R. 12954 is another Frankenstein-like omnibus farm bill, loaded with inconsistencies and outmoded proposals. It does contain some good provisions which deserve the approval of this body, but unfortunately, they are entangled with a great many bad provisions.

If this bill were to become law, it would do more harm than good to a great many farmers, particularly those of New York State. Continued rigidity in farm regulations and disregard of competitive principles could spell disaster.

At a time when many segments of our agricultural community are prospering and others are beginning the long road back, it would be unfortunate if we reversed the very programs which have made this progress possible. This bill largely disregards the sound proposals of the administration and contains little of the flexibility of programs and freedom for the farmer which he so badly needs.

This body should swiftly and decisively defeat the rule on this catch-all hodgepodge, and then proceed to work its will on individual, sound items which are contained in it. The school milk program and Public Law 480—the Agricultural Trade Development and Assistance Act—among others, should be extended as soon as possible. But it would be folly to approve this whole monstrosity in order to continue these valuable programs.

That is why we must defeat the rule on H. R. 12954 and clear the way for this body to consider individually the really sound and necessary parts of this bill.

Mr. Speaker, today's Washington Daily News contains a perceptive and effective article on this farm legislation by the distinguished columnist Peter Edson. With characteristic clarity, Mr. Edson talks real sense on this issue. In order that his wisdom may have wide circulation, I include his article at the conclusion of my remarks:

#### FARM LEGISLATION POLITICS

(By Peter Edson)

Politics has reared its ugly head to put farm legislation in a bad position.

In an apparent effort to give additional benefits to every group of farmers, the House today begins debate on a new omnibus farm bill. Secretary of Agriculture Ezra Taft Benson calls it "an economic monstrosity and a political hodgepodge."

The only two crops left out of it seem to be tobacco and peanuts. Tobacco growers didn't want any new legislation. They seem to be the only farmers who are completely satisfied with the legislation they now have. The only reason peanuts were left out of the House bill is that planters and growers couldn't agree on what new benefits they wanted.

In a rather obvious political nose-thumbing at the Republican administration, the House bill almost completely disregards the nine-point farm program which President Eisenhower sent to Congress last January. Now, 5 months later, this comes out.

The House bill seeks once more to put over the discredited two-price plan for wheat. It proposes mandatory barter for surplus disposal. And it would impose new controls on milk production and feed grains.

In addition to all this, the House bill would increase Department of Agriculture expenditures by an estimated billion dollars a year for the next several years.

Over \$400 million of this would be for a new corn and grain sorghum acreage-reserve program. From \$400 to \$500 million would be for new cotton supports.

All this would be on top of the \$3 billion 1959 farm appropriations already approved by Congress.

One political approach to drafting a bill of this kind is to invite a presidential veto. The idea is that congressional candidates can then tell the voters, "Well, we passed a bill to help you, but Ike killed it." This puts political blame on him.

Another angle has been to go the limits on what they think the President might approve. Then they incorporate a few things the President wants, in an effort to force him to sign it.

Part of this is also political revenge against the President for vetoing earlier congressional legislation to freeze price supports on basic crops at present levels.

While the House has been playing political football with farm bills in this fashion, several much-needed farm programs are running close to their expiration dates. Among them are the agricultural surplus disposal program and the school, veterans, and armed services milk programs. They will end June 30, unless renewed. Also the National Wool Act, which would expire next spring.

The Senate, taking a much saner approach to farm legislation, has already approved separate bills renewing these programs. The Senate Agriculture Committee has also reported out another farm bill which would come closer, but not fully meet administration requests for lower price supports and freer planting for cotton, corn, feed grain, and rice farmers.

If the House could be persuaded to act on these Senate measures, the situation might not be so bad. But the lack of coordination between Senate and House Agriculture committees this year has been notable.

What this presages is that any new farm legislation approved this session will be an election-year compromise. The committee bills could be completely rewritten on the floor of both Chambers, a procedure which is always bad.

Mr. LANE. Mr. Speaker, I wish to support the contention of those Members of the House in opposition to the granting of the rule on this bill, H. R. 12954, the so-called omnibus farm bill. During this debate I have received a telegram from the Massachusetts Farm Bureau opposing such general legislation and requesting that the entire bill be recommitted. I wish to include a copy of this wire for consideration of all the Members:

WALTHAM, MASS.

HON. THOMAS J. LANE.

House Office Building,  
Washington, D. C.:

H. R. 12954, omnibus farm bill, before your House today. This bill contains everything. It is a bread tax bill. It is a milk tax bill. It opens the door to limiting number of cows per farm. It is a two-price plan. Urge you join in effort to defeat rule and recommit bill to committee. There is no doubt that this bill works injury to Massachusetts farmers and to Massachusetts consumers. A couple of clauses now in the bill such as the extension of Public Law 480 and the school-milk program should be separated in committee and presented without all of the bad features. I have discussed this matter with farmers in all parts of Massachusetts, and our opposition is unanimous in this instance.

CARLETON I. PICKETT,  
Executive Secretary, Massachusetts  
Farm Bureau Federation.

Mr. SIMPSON of Illinois. Mr. Speaker, on Friday the 13th, the House Agriculture Committee voted on the omnibus farm bill, H. R. 12954, to extend and amend the Agricultural Trade Development and Assistance Act of 1954; to amend the Agricultural Adjustment Act of 1938; the Agricultural Act of 1949; and the National Wool Act of 1954, with respect to acreage allotment and price



support programs for rice, cotton, wool, wheat, milk, and feed grains; and for other purposes. The bill carried eight titles and had many sections under each title.

Title VII, "Feed Grains": This calls for the suspension of the commercial corn area and corn allotments for 3 years. It does not repeal the fact that corn is a basic commodity. It simply suspends it for 3 years. It puts corn, the greatest money crop in the United States, on the same basis as any other feed grain. The very reason that this feed grain section is a matter of controversy is the fact that the South, when they voted in the past acreage controls and marketing quotas on cotton, refused to take any control of these diverted acres. As most everyone knows, they planted grain sorghum and anything else that they desired, and that would grow in these diverted cotton acres, creating a surplus of feed grains. Furthermore, they went into the hog, cattle, and dairy business on a large scale. The feed grain section calls for a referendum, even specifying the form of ballot to be used, giving the feed grain and corn farmer the opportunity of voting for a program of price support, or it gives him the privilege of voting for no program. It makes it possible for the feed grain raisers in the South to vote strict controls on the northern corn farmer. The total result would be whatever the total result of the combination of southern feed grain voters, mostly sorghum farmers, and the northern corn farmers.

For all intent and purposes, it makes corn lose its identity. It calls for payment in kind; such as, if a corn or sorghum farmer were allotted by the ASC committee 100 acres of corn with which he would be in compliance, if he further cut his 100 acres to 80, he would be given 20 acres of production in kind and in cash from commodity credit warehouses to the extreme limit of \$75 per acre.

He could in some instances take a certificate and sell the corn that was given to him in the payment in kind. This feed grain subcommittee had a total membership of 7; 4 from the South and 3 members from the Corn Belt area; namely, HOEVEN, of Iowa; HARVEY, of Indiana, who is an actual 450-acre farmer; and myself.

I certainly do not like the northern Corn Belt commercial corn farmer being compelled to go to a referendum election and vote in order to keep the southern feed grain people from voting a fine on the northern farmer, if that provision carries. In other words, it is exactly like the wheat situation where you can be fined if you overplant. There has never been any compulsion about the corn program, and I have constantly called this to the attention of the commercial corn growers in the corn belt. I think the compulsion section of the feed grain bill, if adopted in referendum, would further curtail a livestock producer who raises all the corn he can and must go out and buy more to feed hogs and cattle.

The first title, "Foreign Trade," was the extension of Public Law 480, which calls for the disposal of surplus agricul-

tural commodities to foreign nations. Section 106 of title I called for programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials; for the registry, indexing, binding, reproduction, cataloging, abstracting, translating, and dissemination of books, periodicals, and other materials and the deposit thereof in libraries and research centers in the United States specializing in the areas to which they relate. In other words, under Public Law 480, disposing of agricultural surpluses, the committee overstepped itself in foreign affairs and education. I voted against this provision of Public Law 480 even though I am for disposing of agricultural surpluses otherwise.

Under title II, relative to "Rice," I would say there was general agreement among the entire membership of the committee.

Under title III on "Cotton, 1959-1961 Price Supports and Acreage Allotments," in a referendum it called for cotton acreage allotment in the referendum between the two price support and acreage allotment programs; namely, a domestic price and a foreign price. I further believe it called for compensatory payments. The supposition on the cotton section is that there will be a shortage of high-grade cotton next year. It, therefore, would allow the southern cotton acreage to be increased. The cotton section of the bill would freeze the national allotment at around 17.7 million acres for the next 3 years. Farmers would have the choice whether to take the regular allotment and receive 84 percent of parity in 1959, 80 percent in 1960, and 75 percent in 1961; or whether they would like to increase their allotment up to one-third and receive supports at 60 percent of parity. The bill contains a compensation payment feature because it is quite likely that all the cotton raised under the first program will move through CCC hands. The Government would buy the cotton at 84 percent and then sell it at 66 percent, and 18 percent loss.

Title IV is the extension of the Wool Act, which is a trial Brannan plan deal relative to wool. It was supposed to increase the sheep population. It is paid for out of import duties. According to the evidence before the committee, it has not increased the sheep population one ewe in the United States. This was the purpose of the legislation, to increase the sheep population. It has been in effect several years.

Title V, "Wheat": The wheat section called for a two price system on wheat similar to the type of legislation that former chairman of the House Agriculture Committee, Cliff Hope, had been trying to get through the House for 10 to 15 years that I know of. It called for marketing certificates, marketing restrictions, and civil penalties. It called for a referendum.

Title VI, "Milk": The subcommittee was absolutely not in agreement on the milk section. In fact, I could find very few people, organizations, or committee members who were for it. The chair-

man of the subcommittee stated he doubted whether it would work or not. If the quota is voted on milk—and I do not know how you can tell on a fresh cow in May or June how much milk she can give—it means a person with 30 cows could be assessed as much as \$450 per annum based on an average milk production. It called for the creation of a Federal Dairy Board. I dislike compulsion about the dairy business and placing dairy farmers subject to being fined \$450 or any amount. This could run as high as \$1,500 per year on a 30-cow herd with a 10,000 pound per cow average.

I am a member of the Cotton Subcommittee and the Feed Grain Subcommittee. There was never any attempt in either of these subcommittees to ever definitely establish a cost of the programs. Herschel Newsom, master of the National Grange, when the organization appeared before the subcommittee, estimated a cost of \$450 million per year for the feed grains alone even though some of this is being paid in kind. The cotton guess or estimate is over \$250 million per year. The dairy estimate was \$450 million. All in all, the various estimates—and they were purely guess by everyone—was \$1 billion or more per year.

When the committee met on Friday the 13th, we were supposed to vote on the bill, section by section. There was no statement to the effect that I heard of, that final passage out of committee would be acted upon Friday the 13th.

When the committee first met, there was an amendment laid in front of each member of the full committee offering a food stamp plan. This has been batted around Washington for as long as I have been a member of the House Agriculture Committee, some 12 years. It was never discussed in any of the subcommittee meetings or hearings, that I have been a member of, since the first of January. It was placed in the bill in order to try to get city Republicans and Democrats to vote for the omnibus bill. The final vote in committee, including the food stamp plan; that is, the vote to report the bill out including it, was passed by a vote of 17 to 14. I voted against it with the food stamp provision in the bill. Chairman COOLEY immediately knew that an agricultural bill on a committee vote of 17 to 14 had no chance before the House of Representatives. He asked consent to withdraw the food stamp plan section. This was given. Another vote was taken. A final vote on reporting the bill out of committee was 21 for and 10 against. I voted against.

Mr. BREEDING. Mr. Speaker, the omnibus farm for 1958, H. R. 12954, in addition to providing for a 1-year extension of the Agricultural Trade Development and Assistance Act—Public Law 480—with an authorization for the sale of an additional \$1.5 billion in farm products, and its various farm commodity plans, contains a highly commendable section which would establish the domestic parity or 2-price plan for wheat.



On June 11, 1957, I introduced the bill H. R. 8059, and April 28, 1958, the bill H. R. 12185. Both measures called for the institution of the domestic parity plan for wheat; a program which I believe proposes a sound approach to the wheat producer's objective of attaining maximum production on the farm, while maintaining the producer's income in a proper relationship with the other segments of our national economy.

This would be accomplished, under the domestic parity plan, by allowing the wheat farmer to deal more extensively in the open market place on the basis of quality, and by moving more wheat into export and feed-consumption channels.

Under the plan, there would be established a marketing system whereby the wheat farmer would be guaranteed, through certificates issued by the Secretary of Agriculture, on the basis of the farmer's average yield, full or 100 percent of parity for approximately one-half of his crop.

The certificate would be issued to the farmer for his share of that amount of the Nation's wheat production estimated to be sold domestically for human consumption, and would represent the difference between 100 percent of parity and the estimated market price for wheat.

Since premium or high quality wheat naturally will bring a higher price in the marketplace than a lesser grade wheat, the farmer will have greater opportunity to receive more per bushel for his wheat, based on quality.

For that portion of the farmer's production beyond his share of the estimated amount of wheat expected to be consumed domestically, he would sell competitively in the open market; thereby receiving prevailing market prices for his wheat to be processed for export, feed or industrial uses.

In addition, the domestic parity system—which provides for the continuation of the present acreage allotment program—would be largely self-supporting. Only the cost of administering the certificate program will be borne by the Government, since the cost of the certificates will be paid by the wheat processors who will purchase them for the grain they will mill for human food and consumption.

To be eligible to receive these certificates, the wheat producer must plant, within his acreage allotment, for harvest as grain a sufficient acreage of wheat to meet his domestic food quota.

Mr. Speaker, I believe strongly that the domestic parity plan for wheat would contribute greatly to placing the grain buyer and the farmer once again in the business of buying and selling wheat on the basis of quality, and, allowing wheat to move more freely in the marketplace without severe Government controls, while protecting the grower's income to the benefit of the overall economy.

I have been informed, Mr. Speaker, that the present wheat program is costing the taxpayers approximately a quarter of a billion dollars a year, an amount which could be saved by the enactment

of the self-supporting domestic parity plan.

I have heard some contend that a wheat plan of this type would have the effect of inflating the price of bread per loaf, to the detriment of the consumer. That contention is overthrown effectively, I think, by figures contained in the committee report accompanying this bill. These figures are based on price studies conducted by the Department of Agriculture, and indicate that the domestic parity plan for wheat "should have little noticeable effect on prices paid by consumers for bread and other wheat products."

The report states that:

The cost of wheat going into bakery products is such a small part of the total cost of those products that their prices are peculiarly unresponsive to the price of wheat. For example, in January 1948 the farm price of wheat was \$2.81 a bushel and the average price of a 1-pound loaf of bread was 13.8 cents. By April 1958 the farm price of bread had increased to 19.1 cents. Thus, while the price of wheat declined 31 percent, the price of bread increased 38.4 percent. At current prices, the farmer gets between 2.6 and 3.2 cents for the wheat in a loaf of bread.

Mr. Speaker, I live in one of the largest wheat-producing districts in America. As you know, we have tried several different kinds of farm programs in the last 25 years—AAA, PMA, ASC, and others. Some we have liked, that is, those found adaptable and acceptable to our part of the country—some we have not liked. Under our past programs we have had 82 to 110 percent of parity with acreage controls. At the present time we have an acreage-control program with 75 percent of parity. With the cost of production continually on the increase and the price of wheat continually on the decrease, we are faced with the inevitable fact that many of our farmers will go out of business. The price of trucks, tractors, combines, and other necessary farm equipment and machinery has been climbing gradually higher. Back in 1946, 1947, and 1948, when we were getting around 100 to 110 percent of parity, you could buy an average farm tractor or combine for approximately \$2,500 and a truck for around \$1,800. Today, with wheat at only 75 percent of parity, a tractor is \$4,500, a combine \$7,000, and a truck \$4,000. Also, the cost of labor, the necessary repairs, and fuel needed to run this equipment and keep it in condition, has climbed at the same steady rate. With these kind of prices, unless we can raise a bumper crop, there is absolutely no way that we can buy or replace the necessary farm machinery that wears out each year—and this same situation is bound to create more unemployment in the manufacturing areas. If we are to pay these increased prices for maintenance and production, we maintain that a farmer should have not less than 100 percent of parity for wheat or that portion of any agricultural crop that is consumed by the people of this Nation.

Any businessman must necessarily take a calculated risk in running any enterprise—however, the risk the farmer runs is doubled by the constant change of weather. If the farmer is wiped out by

any of the varying conditions, he must replace equipment, seed, and labor. Where is he to turn for the help he needs? The farmer always has been, is now and always will be the backbone of our Nation.

A great many farmers of my area who are vastly dissatisfied with the sliding scale of parity as it is administered today would like to try this domestic-parity bill for wheat. Therefore, Mr. Speaker, I urge passage of this measure.

Mr. Speaker, the list of domestic-parity bills which have been introduced during the 85th Congress and their authors is impressive indeed. Measures calling for the establishment of such a plan have been introduced by Members on both sides of the aisle, from both bodies, from the great States of Kansas, Oklahoma, North Dakota, Nebraska, South Dakota, Washington, Oregon, Minnesota, Wyoming, and New Mexico.

I estimate conservatively, Mr. Speaker, that 75 percent of the people in my district are friendly toward the domestic-parity plan for wheat; and, personally, I think it will do more to stabilize the economy of my district than anything else this Congress can do. We must have a farm program, Mr. Speaker. Without a domestic parity wheat section, I would find it extremely difficult to support the remainder of the bill.

Mr. MATTHEWS. Mr. Speaker, I rise in support of H. R. 12954 the bill that has been reported by the House Committee on Agriculture to attempt to give the farmer his fair share of the Nation's income, and to protect the consumer by making available agricultural commodities for the grocery basket at a fair price. I reserve the right, of course, to vote for any amendments, which I think will improve the legislation.

There are some features of this omnibus agricultural bill, frankly, that I would prefer not to see in the bill. However, I am not one of those who feels that we cannot do anything at all about the problem of the farmer and that we ought to just sit idly by and let nature take its course. In this instance to let nature take its course will mean the ultimate destruction of the American farmer as we have known him in the history of America from colonial times to our present era of greatness. Therefore, in this proposed legislation I, along with each of you, I assume, have had to take some of the bitter with the sweet. I want to repeat again, however, that I am in favor of this bill and I sincerely hope that the House passes it by an overwhelming majority.

The main features of H. R. 12954 extend for 1 year the Agricultural Trade Development and Assistance Act, and adds what we might term certain refinements to the bill, and it proposes new legislation for the agricultural commodities of rice, cotton, wool, wheat, milk, corn, and other feed grains.

I realize that this act does not cover all agricultural commodities, but upon contemplation, I think it could be proved that an overwhelming majority of the total income of the American farmer is covered by this bill. For example, there



is a new program for corn and other feed grains. This program, in my opinion, if passed, would enable the livestock producer to obtain a fair price for his livestock and at the same time will result in prices that are fair to the consumer. At the present time, our farmers are enjoying good prices for hogs and cattle. However, I make this direful prediction—that unless we pass this corn and feed grain bill, next year at this time our cattle and hog prices will be depressed. I hold to the view with I believe the majority of our committee, that cheap feed grains mean cheap livestock prices. From present indications we are going to have an overwhelming abundance of feed grains for this year, and unless a new program is attempted to keep the production of these grains in line with consumption, we are going to have the grains fed to more and more livestock and this, in turn, will lead to much heavier marketings of livestock and, in my opinion, will depress prices. So let it be stated in no vague terms that the livestock producer, and he represents a great segment of American agriculture, has a vital issue in this program.

Now, I think this point should be stressed also, and that is that one feature that is emphasized in H. R. 12954 is the democratic process of permitting the farmers, themselves, to vote on these new programs. In the instance of several commodities, alternative programs are given. The committee has worked for months to try to give the farmer a choice to be decided on in this democratic manner, and at the same time, it should be emphasized over and over again that the welfare of the consumer has constantly been in the thinking of the members of the committee.

Another thing about H. R. 12954 which is particularly appealing to me is the fact that it proposes to put the agricultural commodities which are in such great abundance in America today in the hands of American consumers, and in export trade, rather than pile these commodities in Government warehouses to add to the present terrific cost of storage. I sincerely believe, no matter what the guesses are by those who oppose this bill, that its enactment will result in less cost to the American taxpayer. I think this proposed legislation that we are considering is economically sound, and will mean a much better agricultural program at less expense.

Surely, Mr. Speaker, those of us who oppose this legislation cannot be blind to the fact that something has to be done to aid the American farmer. If we are opposed to this legislation, what is the alternative suggestion? I have little patience with those who constantly point with alarm at weaknesses in a program, but do not have the ability to suggest an alternative that will be better and that will solve the terrible plight of the American farmer. In the report of the committee which I am sure that all of you have read, in discussing the plight of the farmer, these points are emphasized:

Our total population consumed 11 percent more farm-produced foods, including more meats and other animal prod-

ucts, in 1957, than in 1952, yet our farmers received \$600 million less for that larger volume in 1957 than for the more limited volume in 1952. And, in contrast, consumers paid food processors and marketing middlemen \$6.1 billion, or 25 percent more in 1957 than in 1952, for hauling, processing, and handling the food between the farm gate and the retail counter.

Thus, in 5 years—comparing 1957 with 1952—we have witnessed these deteriorating circumstances in agriculture:

Total farm production—including fiber and other nonfood crops—up 6 percent in spite of record carryovers.

Farm prices, down 16 percent.

Farm parity ratio, down 18 percentage points.

Realized net farm income, down 19 percent, lowest point since 1942.

Purchasing power of that farm income, down 23 percent, lowest since 1940.

Farm debt at a record high, above \$20 billion.

Farm population declined 12 percent, from 24,283,000 in 1952 to 20,396,000 in 1957.

In 1952, net income per farm in the United States averaged \$2,789.

In 1957, 5 years later, net income per farm had dropped to \$2,496. In contrast the income of the average nonfarm family of 3 persons increased from \$5,499 in 1952, to \$6,135 in 1957.

In 1957, the returns to all farm workers for their labor and management reached a low of 69 cents an hour, while the average wage of industrial workers reached a high of \$2.07 an hour.

These, Mr. Speaker, are the irrefutable facts. These are the problems that we must face. If we are opposed to the pending legislation, what do we propose to take care of the proper claims of the 20 million farm people in America representing between 4 and 5 million families? Do we want to save the small farmer? Are we interested in the largest single small private enterprise system remaining in America; namely, the individual American farms? I am one who wants to try and save the small American farm. The critics of this proposed legislation will probably point out that with all of our expenditures, the small family farmer is still in a critical condition. May I, in turn, however, suggest that if it were not for our agricultural programs he would not even be in existence? Although his lot at the present time is deplorable, he would simply be nonexistent if it were not for the agricultural programs that we have had in the past. I want to save the American family farm. I want to make it possible for one man to continue owning, operating, and living on his farm unit. I feel that this is one of the safest guards against the encroachment of communism. It is interesting to note that in Russia and in Poland, the greatest resistance to state dictatorship has always been by the independent, rugged individual that we call the farmer. Well, I repeat again, if we are opposed to this legislation, what alternative do we have? I, for one, intend to support H. R. 12954 because, to put it bluntly, I see no alternative.

To those who are interested in agricultural commodities that are not included in this omnibus bill, may I remind you that such great programs as the use of section 32 funds, marketing agreements, the sugar program, and other great agricultural programs, are still on the statute books, and will, I hope, by the positive action of a great majority of us, continue on the statute books.

I have the honor of being on a subcommittee of the House Committee on Agriculture which is known as the Foreign Agricultural Operations Subcommittee. In this capacity, I am particularly interested in the provisions of H. R. 12954 that concern Public Law 480. As the members of the committee are aware, in 1953 and early 1954, there were vast agricultural surpluses accumulating in Government warehouses and it was believed that new approaches should be used to get rid of these surpluses. One of the proposals, and it later became law, was the Agricultural Trade Development and Assistance Act of 1954, which is now widely known as Public Law 480. At the time Public Law 480 was enacted, the investment in commodities held by the Commodity Credit Corporation totaled about \$6 billion, and this accumulation rose sharply to \$8.2 billion 2 years later. By that time, Public Law 480 began to have its full effect, and the CCC investment in agricultural surpluses has been reduced by nearly \$1.4 billion.

Public Law 480 provides for constructive means to use commodities. Under title I there is the authority to sell surpluses for foreign currency. Heretofore, these foreign currencies have been used for 11 different uses, detailed as follows: Agricultural market development; for our supplemental stockpile; for common defense; for purchase of goods for other countries; for grants for economic development; for loans to private enterprise; for payment of United States obligations; for loans to foreign governments; international educational exchange; translation of books and periodicals; for American sponsored schools and centers.

An amount not to exceed \$4 billion has been available for title I. H. R. 12954, now, increases that amount to \$5.5 billion, and adds other uses of foreign currencies, such as the acquisition by purchase, lease, rental, or otherwise, of sites and buildings and grounds abroad for United States Government use, including offices, residence quarters, community and other facilities, and for construction, repair, alteration and furnishing of such buildings and facilities; for financing trade-fair participation and related activities; for financing under the direction of the Librarian of Congress, in consultation with the National Science Foundation and other interested agencies, programs outside the United States for the analysis and evaluation of foreign books, periodicals, and other materials to determine whether they would provide information of technical or scientific significance in the United States, and whether such books, periodicals, and other materials are of cultural or educational significance; and



for the financing of programs for the interchange of persons under title II of the United States Information and Educational Exchange Act of 1948; and for providing assistance by grant or otherwise in the expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States for the purpose of enabling such educational institutions to carry on programs of vocational, professional, scientific, technological, or general education; and in the supporting of workshops in American studies or American educational techniques, and supporting chairs in American studies.

Title II of the Public Law 480 authorizes the President to act quickly to donate commodities abroad to meet emergency situations such as those resulting from famine, flood, and drought.

Title III of the law authorizes the donation of commodities for relief use at home and for similar use abroad through programs conducted by United States voluntary relief agencies, and also emphasizes the program for the exchange of Commodity Credit Corporation commodities for strategic and other materials. In H. R. 12954, there are proposals to strengthen the barter transactions under title III, which have almost stopped.

Exports of United States farm products under Public Law 480 from 1954 through 1958 up until June are as follows: title I, \$2,065,000,000; title II, \$337 million; title III for barter, \$910 million; donations, \$622 million—or making a total of \$3,934,000,000.

Now, Mr. Speaker, there are many aspects of Public Law 480 which I hope our Committee on Agriculture will study thoroughly this next year. For example, the law is administered by a great mixture of Government agencies. In my opinion, there should be a more central direction of the program. Another problem that certainly causes me much worry is the vast accumulation of foreign currencies in the hands of our Government. I do not think it is healthy for America to have that great amount of power over foreign governments by an accumulation of a tremendous amount of a foreign government's currency. I think every effort should be made to dispose of these currencies in such a way that will be helpful to America, and that will also be helpful to our friends in other parts of the world. There is one aspect of Public Law 480 which I think should be greatly enlarged, and that is the provisions under title III which enable us to donate commodities for relief use at home and for similar use abroad.

There is no reason, Mr. Speaker, for one single American to go hungry. In fact, under title III of Public Law 480 we are making food available at the present time literally to millions of our people in family units, in charitable institutions; and if the need arises, millions more can be fed. Quite frequently a friend of mine will say to me, "Why should we help those people abroad when we have hungry people at home?" I want to repeat again that there is no

excuse for one single person in America being deprived of food. The plenty of American agriculture is available under title III through programs administered jointly by the several States, and by the Department of Agriculture to take care of the needs of America.

I think we should have a greatly expanding use of America's agricultural abundance to feed needy people abroad.

I have just finished reading a most stimulating book by John Gunther entitled "Inside Russia Today." In this timely book, Mr. Gunther says:

Agriculture is by far the sorest spot in Russia. The U. S. S. R. lives just as czarist Russia did, predominantly on the land. At least half the total population is engaged in agriculture in one form or another. The peasant, not Khrushchev, is king. Industrialization, scientific power, military strength, education, all depend basically on what wealth the dark masses on the land will, or will not, produce.

America is simply not using our vast agricultural production to win this cold war in the complete dramatic sense that we ought. We have the vehicle in Public Law 480, title III. This relief program will be approved, and has been approved, by the American people. This program to which I refer of distributing our agricultural surplus to hungry people abroad is carried out by 22 approved nonprofit American voluntary relief organizations, and certain of our intergovernmental organizations. These agencies reach more than 100 million persons in most of the free world. When we distribute food through these agencies it is on a person-to-person basis. The recipient knows that the gift comes from the American people. There is no better way, Mr. Speaker, to win friends and influence people in the cold war than to feed them when they are hungry. Out of the approximately 3 billion people in the world, there are a billion who do not even get one square meal a day. In tragic China, an informant recently told me that probably only 10 percent of the people of China are concerned about what type of government is in power in that country. Ninety percent of the people still have as their chief concern the getting of enough food to live. Now, I am not proposing a careless squandering of our agricultural surplus so as to help our enemies. But I do say that we ought to expand this program under title III to help us win the cold war. Why not a dramatic airlift in any friendly area of the world when famine is threatened? It doesn't cost much, Mr. Speaker. Many, many millions of our friendly allies can be fed for just the price of several extra bombers. I am not suggesting that we reduce our military strength, but surely as we view the methods to win this cold war in the broad perspective of the needs of the world, I repeat again that we have not used our great agricultural abundance to the extent that we should.

In the administration of title I of Public Law 480, Mr. Speaker, we have to deal with governments. We should deal with governments. Our approach should be on a government-to-government basis. In the distribution of food under

title III, however, through the help of our voluntary agencies, we distribute this food on a person-to-person basis. No local politician can subvert the meaning of the gift. The gift is on the basis of friendship of the American people to the people of the friendly country. The gift is on the basis of the Christian ideals of America, ideals that are too often cynically regarded by other nations in the world. I certainly intend to do everything in my power to see a more effective use of title III to help us win the cold war.

Dr. R. Norris Wilson, the executive director of the central department of the Church World Service, New York, is quoted in a report by the other body as saying:

Our estimate is that it is possible on the average to distribute 250 pounds of food for \$1.00 in cost to the American churchman, and in many cases, much more than 250 pounds per dollar.

Churches do not regard America's plenty as an embarrassment, but believe it to be a gift of a wise, loving, and extravagantly generous providence to the American people in order precisely that we can help bear the burdens of the needy people of the world at this turbulent stage of history. \* \* \*

Fats and oils are probably the single greatest need at the moment in many areas. And if corn oil, or other grain derivative oils, could be made available to the program, it would strengthen it immeasurably. I am informed that on the first day of June 1957 the Commodity Credit Corporation of the United States Department of Agriculture will take title to approximately 40 million bushels of soybeans, which would yield approximately 180,000 short tons of soybean oil. This is a resource which would immeasurably enrich this program if some part of it could be made available.

We have programs overseas and small supplies of such oils as are available are actually doled out, almost drop by drop, for medicinal purposes, because of the shortage. \* \* \*

The total number of persons reached through the distribution facilities of Church World Service overseas is approximately 25 million to 30 million annually. Careful committee scrutiny is given to the list of needy persons and every pound of food is given directly to the ultimate consumer. This program is a decisive and helpful means to world peace.

Thus, we have one of the representatives of our great nonprofit voluntary relief organizations speaking out for this program. Surely the people in America, through all of our various denominational faiths will want to have a greater part in carrying on this humanitarian program.

Time is limited, Mr. Speaker, so I will conclude by saying again that the problems of the American farmer need to be solved. We cannot solve these problems by being negative only and pointing out the loopholes in any proposed new agricultural program. I intend to be positive in my approach, so I am going to vote for H. R. 12954, and I reserve for myself, of course, the right to vote for any better program for the American farmer and the consumer when such a program is offered to us.

Mr. ROBISON of New York. — Mr. Speaker, I feel constrained to vote against the granting of a rule for the consideration of the omnibus farm bill—H. R. 12954.



While the need for far-reaching, sound farm legislation is self evident, the bill that is now about to be presented to us seems to me to be so complex, so confusing, and so burdened with regulations as to be nearly impossible of administration. It is also my understanding that the bill is, in its present form, even impossible of explanation by many of the members of the House Agriculture Committee itself. I do not see how the Department of Agriculture, the commodity groups and the farm organizations, not to mention the individual farmers, could possibly work with it.

It also seems to me that the Agriculture Committee is to be commended for its sincere desire to write a bill attempting to aid several important segments of our farm economy at once, but, in view of the immediate necessity for extending the school milk program and the Agricultural Trade Development and Assistance Act of 1954, commonly called Public Law 480, both of which expire at the end of this month, and both of which are most worthy of extension, we might better now take separate action to accomplish those results, and then, when time is not so short, come back to a properly deliberate consideration of H. R. 12954. It would also be my hope that the Agriculture Committee could use the intervening time to perfect and clarify its bill and even perhaps remove some of the features therefrom that several of our farm organizations, notably the American Farm Bureau, have found to be objectionable. Certainly, in justice to the farmer and the consumer, further study seems required if the untried programs in the bill are to have any chance of contributing to the solution of our agricultural difficulties.

Mr. BROWN of Georgia. Mr. Speaker, H. R. 12954 sets up a new 3-year program providing national acreage allotments in 1959, 1960, and 1961 at no less than the requirements for domestic consumption and export—approximately 17,700,000 acres in 1959—and authorizes each cotton farmer a choice between (a) remaining within his original allotment and receiving price supports in 1959 at the 1958 level, in 1960 at 80 percent of parity, and in 1961 at 75 percent of parity, or (b) planting up to 33⅓ percent above his original allotment and receiving price supports on all cotton he produces at not less than 60 percent of parity, the exact level to be determined by the Secretary of Agriculture. The 4-acre minimum allotment provisions of the present law would be continued.

H. R. 12954 would extend the Agricultural Trade Development and Assistance Act—Public Law 480—and authorize sale of an additional \$1.5 billion in farm products. The bill directs an expanded barter program. H. R. 12954 would make use of foreign currencies, obtained in the sale abroad of agricultural commodities, for sites and buildings abroad, trade fair participation, and related activities, translation of foreign scientific publications, an expanded educational exchange program, public health activities, and operation of American colleges and other schools in foreign countries. This bill permits the Secretary of Agriculture to

set price supports for rice at between 75 and 90 percent of parity, continues the National Wool Act until March 31, 1962, permits the wheat producers to vote on the present program or a substitute program, permits the dairy farmers to choose between the present support program and a new 3-year program, and provides for feed grain producers to choose between discarding all supports or accepting two alternative programs. This bill would continue the special school milk program, and the programs for donation of dairy products to the armed services and veterans' hospitals for 3 additional years, and extends the donation program to the United States Merchant Marine Academy.

While it is indicated in the committee report that H. R. 12954 will improve the income of producers of a number of major crops, it is also stated that the bill does not restore a full parity position to agriculture such as prevailed for the 11 consecutive years from 1942 to 1952. Nevertheless, the problem of the committee is set forth on page 3 of the report, for it is stated that the bill is written in the shadows of Presidential vetoes. The committee report continues by stating as follows:

This bill, therefore, represents a compromise between the administration's policy of constantly lowering farm prices on the one hand and, on the other, the often expressed objective of the Congress to maintain agriculture on a parity with other areas of the general economic structure. While it does not bring back a completely equitable price position for agriculture, it rejects the administration's proposition that the Secretary of Agriculture be given a completely free hand to reduce price supports as low as 60 percent of parity, where now the legal minimum is 75 percent of parity.

With respect to cotton, the report indicates that it has been estimated that for 1959 domestic consumption plus exports would equal about 13 million bales, resulting in a national acreage allotment for 1959 of approximately 17,770,000 acres. This compares with an acreage allotment of approximately 17,390,000 acres for 1958. It is my belief that cotton acreage which is not used in any county should be made available for reallocation within the county, and that such acreage as may not be reallocated within the county should be made available within the State.

It is stated in the committee report that those farmers who elect to stay within the acreage allotment will receive price support in 1959 at not less than the percentage of parity applicable to the 1958 crop, which is currently estimated at 83 to 84 percent. In 1960 the price support would be not less than 80 percent of parity, and in 1961 not less than 75 percent of parity.

The real test of the adequacy of any farm program is whether its provisions will permit the farmer to receive his fair share of income. It is of little practical value to have acreage allotments which are fixed so low that the small farmer is permitted to merely exist rather than to utilize his best efforts in supporting himself and his family. I have repeatedly introduced legislation to increase these acreage allotments for the

small cotton farmers. The editor of a county newspaper in the district which I represent recently wrote that the cotton acreage in his county had been reduced from 25,242 acres in 1950 to 5,500 acres in 1958. The editor of this newspaper states that the people who formerly prepared land, planted and cultivated the crop have to eat, as do those who did the harvesting, and that there are not enough jobs in industry to absorb these workers who were geared to a cotton economy. He further states that these people who did the work spent money for food, clothing and automobiles which they will not spend under these reduced acreages.

I have stated on previous occasions that the conditions which prevail on the farm are ultimately reflected in the entire national economy. It has been estimated that agriculture serves as the basis for 35 percent to 40 percent of the jobs of all workers in this country—even though only 12 percent of the people make their living directly from the farm, and that United States farmers purchase about \$17 billion worth of manufactured goods to use in production each year. It is significant that the industries from which farmers draw great quantities of supplies for production purposes are at present the ones suffering rather severe economic recession. Agriculture has suffered from declining sales and increasing costs for 6 years, and farm production expenses have gone up while cash sales have dropped. Of the 50,000 farm units lost in Georgia between 1940 and 1954, the big decrease came in the farms having less than 100 acres.

The committee report points out that our total population consumed 11 percent more farm-produced goods in 1957 than in 1952, yet our farmers received \$600 million less for that larger volume of production in 1957 than for the more limited volume in 1952. During the past 5 years farm prices have gone down 16 percent, the farm parity ratio has dropped 18 percentage points, the realized net farm income has dropped 19 percent to the lowest point since 1942, and the purchasing power of that farm income is down 23 percent to the lowest point since 1940, and the farm population has declined 12 percent. In 1957, the returns to all farmworkers for their labor and management reached a low of 69 cents per hour, while the average wage of the industrial workers reached a high of \$2.07 an hour. Farm debt has reached a record high of \$20 billion, and the average income per farm has dropped from \$2,789 to \$2,496 during the past 5-year period, during which period there has been an overall inflated economy. Although the number of consumers supported by 1 farmworker has doubled from 10 in the 1930's to more than 20 today, the rewards to the farmer have constantly declined. While some of us would commend the farmer for a job well done and look to the resulting opportunities ahead for our ever-increasing population in this period of scientific advancement, there are others who would adjust the agricultural imbalances of the present and repay the farmers for



their productive achievements by ejecting them from the land.

The cotton farmer has employed efficient methods to increase his productive capacity substantially, but has been placed in a position of planting small acreage and of purchasing his supplies and family needs in a highly subsidized and inflated economy. The means must be found to secure for the farmer his fair share of income. Considerable thought has recently been given to a price system for cotton which would equal 100 percent of parity on domestic sales and permit the farmer to compete in the world market on nondomestic sales. This program has been suggested by many people, including Senator TALMADGE of my State. If we could secure this program it would be better than anything that has been suggested, and it would not cost the Government any more than, if as much as, the current agricultural program.

The current farm situation requires not only our best efforts in the passage of legislation, but a more determined effort and optimistic approach in the administration of agricultural programs. Solutions to these problems are not to be found through devoting the total effort to worrying over so-called unmanageable surpluses or urging farmers to move off of the farms. It would be far better to devote more administrative effort to the question of why the United States has lost its foreign cotton markets at a time when the world population and consumption have been on the increase, and at a time when this Nation has been negotiating numerous agreements with other nations and furnishing substantial aid to other nations.

Indications are that farm surpluses would not be a problem if substantially increased efforts were devoted to finding new uses for agricultural products. The Commission on Increased Industrial Use of Agricultural Products recently reported to the Congress that farm-produced materials can be modified, tailored to particular needs, taken apart, and recombined to make new products with new properties. The Commission's report outlined 106 broad fields of research and development, including hundreds of product uses, that seem to promise fruitful results. As I have previously stated on the floor of the House, the small expenditures for agricultural utilization research are grossly inadequate.

I am glad to note that the committee report would place increased emphasis upon achieving more tangible results under the barter program. In the administration of this program it has been restricted and at times suspended. The barter program presents the opportunity for the Department of Agriculture to utilize its efforts in the interest of increased agricultural sales. The committee report concludes that the action of the Department of Agriculture placing upon potential barter contractors the burden of proving that surplus agricultural commodities disposed of by them under the program would not interfere with dollar sales is a major device used by the Department to curtail the barter program. The committee report further

indicates that the areas of the free world into which surpluses may be moved have been restricted by certificates of additionality, and that the language in the bill is designed to remove this roadblock. It is also stated in the report that there is evidence that many barter transactions which would have disposed of very substantial quantities of agricultural surpluses have not been made because of the Department's insistence that the material to be received in exchange could not be processed in the United States. It is my belief that the barter program has been administered on a more restrictive basis than was intended by the Congress, and this bill clearly indicates that greater emphasis is to be placed upon the barter program in the future.

It is my belief that solutions to farm problems must be based upon the assumption that agriculture is a major and continuing segment in our overall economy, that the farmer is entitled to a fair share of income, and that it be recognized that greater progress is to be achieved through the utilization of the productive capacities of the farms. As I have previously stated, I believe that it is imperative that there be a more optimistic approach to farming through the encouragement of scientific development to find new uses, the encouragement of a proper balance between agriculture and industry in local areas, the recovery of lost foreign markets, the utilization of existing laws and American salesmanship, and the fullest cooperation of the State Department and administrative agencies and departments.

It is my belief that we must give the farmers more acreage. Although this bill gives the farmers some relief, it is not as much as I would like to see them have. I had hoped that we could get some more favorable legislation at this session, but it seems that H. R. 12954 is the best bill the committee could vote out. We must pass some farm program at this session. Although I am not satisfied with the bill, it gives the farmers some relief, and perhaps the best prospect we have is to pass this bill. I again urge that our agricultural programs be written and administered in such manner as to permit the farmers to continue to live on the farms, and it is essential that there be adequate acreage and adequate floor prices coupled with the maximum effort to increase export sales.

Mrs. KNUTSON. Mr. Speaker, H. R. 12954—the farm bill—is all-American legislation. I am for it all down the line.

This bill stands out from the usual. It transcends class legislation. Although it is designed to help the American farm, it will be of immeasurable help to our economy as a whole: to commerce, to industry, to science, and to education.

Minnesota's Gov. Orville L. Freeman estimates that the passage of H. R. 12954 would add \$120 million to the current year's estimated farm income of our State.

Dollars are a good thing to have around. But you cannot measure the value of this bill by dollars alone. You must take into consideration what it will do for human beings.

Because of this bill some boy may have a chance to go to school, so that he, eventually, may match the accomplishments of the Mayo brothers.

Because of this bill, a farm woman may be able to buy needed appliances, thus freeing her from backbreaking labor and giving her a longer, more useful life. Because of this bill, a family farm which has been literally cut out of the wilderness may be saved to that family and give its produce to more men and women.

H. R. 12954 is a good bill. It is not all I could wish for the preservation and advancement of our family farms. Still, it is a wise bill, representing definite forward progress. In this respect, I believe with Franklin Delano Roosevelt in an address prepared, but not delivered, due to his untimely death: "The only limit to our realization of tomorrow will be our doubts of today."

Let us cease to doubt. Let us act. Let us pass this bill which will give stability to the family farm: the launching point, the Cape Canaveral, if you please, of the space-surmounting destiny of this Nation.

Our farmers deserve the passage of H. R. 12954 for, as Daniel Webster declared on January 13, 1840:

When tillage begins, other arts follow. The farmers, therefore, are the founders of human civilization.

Mr. SMITH of Kansas. Mr. Speaker, for the past 5 years, Secretary of Agriculture Benson has been saying he would not support any farm program or policy which he believed was not in the best interest of the farmers and of the consumer.

He has arrogated to himself all the virtue and all the sincerity in regard to farm programs. He implies by all his remarks that anyone who disagrees with him is not serving the best interests of the farmer.

Mr. Benson has always seemed to infer his first duty was to the consumer. He further seemingly believes that he should bankrupt the farmer in trying to dispose of our surplus grains.

Neither Benson nor his advisers ever quite seem to understand that low prices force the farmer to increase production as the farmers' living costs go higher. When some of us talk about a program for wheat that will force it through regular trade channels, instead of Government bins, he points his finger at us and says in effect, "You may be the elected representatives of the people, but I am appointed by the President, hence, I am right and you are wrong."

He further has stated in almost all his speeches, his first concern must be the consumer, "My duty is to keep prices down." There is not an eighth grade schoolboy in America who doesn't know that food prices have risen to an alltime high while Secretary Benson has been making speeches about keeping prices down and at the same time kicking the farmer.

There have been a lot of unwise farm programs, but no one yet of Mr. Benson's entourage has explained why under his policies and recommended veto that the farmers share of the consumers food



dollar has declined from about 51 to 39 cents during his administration.

During recent weeks the Secretary has taken advantage of increased prices of cattle and hogs and says, "Look what I have done," and how the farm income is going up.

Everyone knows that Secretary Benson had about as much to do with the advance in livestock prices as did the Emperor of Japan. Drought and the law of supply and demand brought these advances.

A common question around the Congress during the past few years has been this, "What happened to the farm bloc?" Everyone knows that during the last two Congresses the farm bloc is no longer important. In fact Walter Reuther, Jimmy Hoffa, or almost any other national labor boss has 10 times as much influence as the so-called farm bloc.

What are the reasons for this decline in influence? There are, of course, many reasons, but one of the minor reasons is Ezra Taft Benson. His policy of dictating, suggesting, directing, prescribing, and instructing on all farm legislation was helpful in bringing about this breakup of the farm bloc.

The doctrine of Benson, along with a loss in farm population from 30 percent of the total United States population to 13 percent, is, of course, the major cause.

This year we will again produce a bumper wheat crop. All sorts of reasons are given for the surplus in wheat. The so-called wheat farmer and cotton farmer, as a class, are suffering more from the so-called surplus than any other class of farmers.

We must in thinking of the surplus wheat problem remember that wheat is the most widely cultivated food grain in the world. And it is also true that somewhere throughout the world in each month of the year wheat is being harvested.

We in America have three surplus food grains—wheat, rice, and corn. We seemingly are appalled at these surpluses, but few seem to remember that all permanent ancient civilizations were founded on growing cereals.

Wheat established ancient Persia, Babylonia, Egypt, Rome, and Greece. Rice was the basic crop of ancient China, India, and Japan while corn, a comparative newcomer, was the basic food of the Inca, Maya, and Aztec civilizations in Mexico.

It is also estimated that throughout the world 400 million acres of wheat are planted each year and in the United States we, by law, can plant 55 million acres.

Throughout the years that we have had wheat programs passed by Congress little or no attention has been paid to one of the vital factors in the production of wheat, both as to quality and quantity, namely, weather. This weather factor is extremely important. All the programs of marketing quotas and allotments never take this factor into consideration. An irrigated farm gets the same allotment as one which can only raise a crop once in 3 years on the average.

In view of the widespread production throughout the world wheat is an inter-

national commodity and is extremely sensitive to price changes, a difference of one-half cent a bushel will many times make a sale. It is said that for the past 30 years the average world trade in wheat averaged about 820 million bushels a year.

The carryover of United States stocks after this year's bumper crop will again surge upward.

If present programs in wheat are followed out the carryover will probably increase each year. Therefore, any new wheat program should carefully consider the effects of this program on our carryover stocks of surplus wheat.

Many of us who have tried to understand and get together a workable wheat program believe very firmly that the domestic-parity plan is the solution to our wheat surplus. This plan, if adopted, would not solve the surplus overnight or this year, but over a period of years will have the desired results—reduce the surplus. The basic reason why this is a good program is that the wheat farmers will not year by year get reduced acreage and thereby less return for their labors. We know that the 90-percent parity formula did not reduce the surplus, and certainly there is no large segment of wheat experts except Secretary Benson who firmly believe that the flexible price-support formula will solve the surplus problem.

So there is today in this so-called omnibus-farm bill a plan called the domestic-parity plan—which we believe means maximum production and minimum Government control, more wheat in use, plus a stabilizing of the income of the wheat farmer.

Let us take a little closer look at this plan.

At the outset of any discussion of the present so-called omnibus farm bill, it is well to keep in mind that the basic provisions of the wheat section of this bill is commonly referred to as the domestic parity plan for wheat.

The approach to the problems of the wheatgrower and his surplus in this bill is not new because twice before has the House passed this domestic parity plan and the Senate has passed it once.

The President 2 years ago vetoed a farm bill which contained this domestic parity plan.

It should be remembered that this so-called domestic parity plan is not some new idea just dreamed up by some individual Congressman from a wheat State. It can safely be said it has universal appeal among the wheatgrowers of the principal wheatgrowing States. As proof of this statement we find from an examination of the CONGRESSIONAL RECORD that Members of Congress from Kansas, North Dakota, Oklahoma, Nebraska, South Dakota, Washington, Oregon, Colorado, Minnesota, Wyoming and New Mexico have introduced similar wheat domestic parity bills.

According to the present law only 55 million acres is authorized for wheat.

The Members of Congress from the above named States represent 46,391,000 acres of wheat allotment. This clearly indicates that a majority of the wheatgrowers believe in this approach to our

wheat problems and excess production—or so many Members of Congress would not have introduced so many similar bills.

A great many reasons have been advanced why this wheat section should be stricken from the bill. It is strange indeed to find that the opposition to this wheat section comes basically from my Republican colleagues and it is alarming to me that their chief argument against the bill is that the Secretary of Agriculture, Mr. Benson, will recommend, if the bill is passed with the wheat section in it, that the bill be vetoed.

It has always been my conception of our Government—until a few years ago, at least—that the Congress in their wisdom enacted the laws, but that idea seems to be a bit old fashioned and it is to be regretted that this idea prevails that no bill should be considered without prior approval of the President. It has become almost a common everyday occurrence around some members of our committee to always start the discussion with this query, "Will Secretary Benson approve this?" or just simply, "What does Benson think?"

It seems quite apparent with the Supreme Court writing legislation as far as States rights is concerned, and also interpreting all anticommunism laws in favor of the Communists, that the prestige of the Congress and the legislative branch becomes less important, if the executive and judicial branches are going to say what Congress can do in the way of legislation.

One of the objections raised by the Department of Agriculture in regard to this wheat section is that the consumer will think his price of bread will go up. Has anyone ever heard of the present Secretary of Labor objecting to labor legislation because it would raise wages? In fact, the Secretary of Labor has always been at the forefront advocating higher minimum wage laws. But the present Department of Agriculture head concerns himself with the consumer, not the grower of food.

In fact, in the report of the Secretary of Agriculture as to the merits of the wheat section of this bill, it frankly says, the consumer will think it will raise the price of bread, when in fact it probably will not.

A most interesting fact about the price of wheat as related to consumption is this: Wheat is the only basic food that I know of that if you lower the price you do not increase the consumption.

In 1910 the wheat per capita consumption in the United States was 6 bushels per person; in 1957 it was 3.4 bushels per person. The eating habits and diet fads have largely brought this about. Based on 170 million, which is supposed to be the present population of the United States, and if we ate as much wheat per capita as we did 50 years ago—last year we did not produce enough wheat to feed our population—we would have been a few million bushels short.

The National Wheat Growers Association whose primary purpose is to promote the general welfare of the wheat farmer of the United States by means of fair legislation to all parts of our general



economy support this domestic parity plan as contained in this wheat section of the bill under consideration.

Mr. Herbert J. Hughes, president of the National Association of Wheat Growers, has pointed out repeatedly in his statements in support of this plan the sole objective is to get full parity for the wheat the United States needs and to gradually reduce the present wheat surplus. In order that all may more fully understand the issues involved and the attitude of the National Wheat Growers Association in detail, here is what he said in a recent interview:

Question. Mr. Hughes, why is the domestic parity plan which is included in the Senate farm bill, called the two-price system?

Answer. That term really isn't accurate. It has come into use because the plan provides two levels of income. Actually there would be only one price for wheat—that which the crop would bring in the market.

But for that part of the crop that we use for food in this country, the grower would receive 100 percent of parity. The difference between parity and the market price would be paid by income certificates.

Question. Would these certificates be negotiable, like checks or currency?

Answer. Not in the sense that a cashier's check would be. The certificate would be made to the grower for a certain number of bushels. When the bushel value of the wheat had been set by the Secretary of Agriculture, the certificates could be cashed at the county ASC office or at the bank.

They would be handled through the Federal Reserve System and come back to Commodity Credit Corporation where they would be charged to the revolving fund.

Question. Where would the revolving fund come from?

Answer. It would come from the miller. After he has milled the wheat and is ready to sell the flour, he would buy certificates from CCC equal to the number of bushels he has milled. Cost of the certificates would be added to the price of the flour when it is sold to the baker.

Question. Would that increase the cost of bread?

Answer. I doubt it. Wheat price doesn't affect bread prices much. Price of wheat has dropped about a third since 1947, but bread has gone up 3 to 4 cents a loaf.

Question. Assuming that Congress accepts domestic parity, how would it apply to an individual wheat farmer?

Answer. Let's take a farmer with a 100-acre wheat allotment with a normal yield of 20 bushels an acre. That 100 acres is his proportionate share of the 55-million-acre national allotment. Normally he would produce about 2,000 bushels a year. The share of his crop for domestic consumption would be about 55 percent—or 1,100 bushels. For that he would get domestic parity certificates.

Now, let's say parity is \$2.50 a bushel, and the Secretary of Agriculture estimates the market price at \$1.60 for the season. The difference is 90 cents a bushel. This farmer's certificate would be worth 1,100 times 90 cents, or \$990.

Question. Then that's where you get the term, "domestic parity?"

Answer. Right. That's the key to the plan. The producer would get full parity for only that part of the crop we need for our own food use.

Question. Who would sell the wheat?

Answer. The grower himself.

Question. Suppose his crop turned out at 30 bushels instead of 20?

Answer. He would get the market price for all of it. But he would still get domestic parity certificates for only 1,100 bushels.

Question. When could he cash his parity certificates?

Answer. The Secretary would estimate parity price and average market price, say in June of the marketing year. After those prices were set, the grower could cash his certificates.

Question. Suppose he had a crop failure?

Answer. He would still have his certificate good for 90 cents on 1,100 bushels.

Question. What would we do about wheat allotments under domestic parity?

Answer. We would have exactly the same allotment program as we have today—as long as we have a wheat surplus. Only when the wheat supply would drop to a point where the present law would permit allotment removal, would we get away from them. Only when we have reduced the supply of wheat in storage, will we be able to increase or drop allotments.

Question. Do you think the domestic parity plan would reduce the wheat supply?

Answer. Yes. Let us take our 1955 crop of 1940 million bushels. We expect to move about 900 million bushels in domestic food needs, in exports, and in livestock feed and seed. That means we produced 40 million bushels more than we had a market for.

We would hope under domestic parity that we would be able to move another 100 million bushels into feed from current production. In other words, we could have sold 60 million bushels out of surplus into export.

Question. But other feed grains have increased, have they not?

Answer. Yes; and at the expense of corn. Much of the acreage shifted out of wheat and cotton has gone into crops such as grain sorghums, barley, and oats. Actually, shifting wheat acres into other grains has resulted in more feed production than if part of the wheat could have gone into feed.

Question. Under the domestic parity plan, would there be more competition from wheat on the free corn market?

Answer. I cannot see that there would. It would depend, I think, on farmer participation in the corn program.

This year, for example, market price of corn has been 30 to 60 cents under supports. Support price of wheat under domestic parity would be based on support price of corn—not on the market price. If free market corn is considerably less than the support price, there would be less chance for wheat to move into the corn market.

Question. Then how would you get more wheat into feed?

Answer. We do not think we are going to get much more wheat into feed as long as acreage of other feed grains is increasing. If you check the past, you will find that we never get a lot of wheat fed except when there was a shortage of feed grains.

It is going to be difficult to get a price relationship that will move an additional 100 million bushels of wheat into feed as long as there are plenty of other grains. However some additional wheat will be fed on the east and west coasts.

Question. Would our hard red winter wheat growers have more incentive to grow high quality wheat under domestic parity than they now have?

Answer. I think so—if the support price is set reasonably close to feed value. That should encourage growers to produce high quality milling wheat for market competition.

We need to get away from the situation where the farmer can grow poor quality wheat just because it yields more—than turn it over to CCC on a loan.

Question. Would the domestic parity certificate specify any kind of wheat?

Answer. No; the grower would choose any variety he wishes.

Question. Would I have to grow wheat to get a certificate?

Answer. Yes. You must plant the number of acres which, under normal yields, would produce the amount covered by your certificate.

Question. If I have a crop failure, would I still get a certificate?

Answer. Yes; that's a point that is misunderstood. You would get the certificate after you plant your wheat. But you couldn't quit growing wheat and start growing certificates.

Question. But if my crop failed, I could still cash the certificate?

Answer. Right. It would still be worth its face value as set by the Secretary of Agriculture. That is a sort of crop insurance feature of the domestic parity plan.

Question. How would the Soil Bank fit into the domestic parity program?

Answer. Well, a man with a half section in my country is already down to about a 100-acre wheat allotment. If he would choose to take some of the acreage that he has been putting to grain sorghum, barley, or oats, and place it in the conservation reserve, he would be free to do so. That's what we would encourage him to do.

Question. Would domestic parity do anything with present CCC wheat stocks?

Answer. I want to emphasize that we anticipate in no way unloading CCC stocks on the feed market. More wheat would go into feed only if the grower is willing to produce it and sell it on the market at feed prices or feed it himself.

If we continued to move wheat into CCC stocks at above market price, and CCC sold it back at feed prices, wheatgrowers clearly would be getting a subsidy. Then corn-growers would be justifiably critical.

Question. Would this new program be harder to administer than the present one?

Answer. It should not be. It is exactly the same as the present program except for the distribution and cashing of the certificates. There would be no marketing quotas nor penalties for excess production.

Question. Do you think two-thirds of the wheatgrowers would vote for the domestic parity plan as required in the Senate farm bill amendment?

Answer. I think the vote would depend on how well the National Association of Wheat Growers can explain the program, and how well other farm organizations and the USDA cooperate in an educational program. Any wheatgrower who understands it will be favorable. A vote probably would be taken in June of this year. That doesn't leave much time.

Question. Under domestic parity would we sell on a competitive world market—or would we still market under an export subsidy?

Answer. We would prefer to be on a competitive world market, but we see no chance of doing it. We will have to support the price of wheat at a point higher than world price in order to protect producers of feed grains.

Question. How low would we have to go to get in a world market?

Answer. I don't think we are going to increase exports much no matter what we do with prices. The subsidy is about 70 cents a bushel now, however.

Question. Why is that?

Answer. Lots of folks think all we need to do to move surplus wheat is to lower prices. The situation is that other exporting countries cannot let us do that.

Worldwide wheat consumption is comparatively inelastic, as it is in this country. If we moved much more wheat into exports than we do now, we would be taking the market from some other country whose economy is based on wheat. That country would have to follow the price down to share the market.

Question. But wouldn't a lower world price help the wheat importing countries?

Answer. Here's a point many don't understand. A number of importing countries buy wheat from us at one price and sell it at a higher price to mills in their country.



They use the difference to subsidize their own producers.

If we sold wheat to them cheaper, it would mean they would have even more money to encourage their own producers.

Question. Then the increase in wheat consumption under domestic parity would be in feed grains?

Answer. That is right. Our food consumption is about static at 500 million bushels a year. We can't expect much increase in exports. So the only place wheat growers can move is into the feed market.

Our meat consumption is increasing. So about the only way we can get wheat into our increasing population is through livestock and poultry feed.

Question. Do you think the way our price supports are rigged that wheat is taking the brunt of production controls?

Answer. I wouldn't say it is due to price supports. Most wheat growers actually reduced production when they reduced acreage. Production of wheat and rice has dropped about 30 percent since 1947 while production of most other crops has increased.

Question. Do you think wheat should adjust still further?

Answer. We increased our agricultural plant to meet wartime needs. Now the plant is producing more than we need. We must make a basic policy decision. We've got to decide whether export crops alone must adjust, or whether all of agriculture should share a little to keep the blow of economic adjustment from falling too heavily on export crops.

Mr. Clifford Hope, a most distinguished former Member of the House and who was twice chairman of the House Agriculture Committee, always actively supported the domestic parity plan for wheat. Mr. Hope in the last speech he made in favor of the domestic parity plan said:

Flexible price supports have not had the effect of reducing wheat acreage or expanding wheat consumption. Such acreage reductions as have taken place have been the result of acreage allotments and marketing quotas. The principal effect of flexible price supports has been to reduce farmers' income from wheat. Another effect has been to reduce the value of all governmental wheat stocks to the level of the reduced support price. This is compensated for to some extent by the fact that lower supports make it possible to reduce export subsidies.

Certainly the proponents of this legislation are not unmindful of the cost of this proposed bill. We who believe in this proposal feel that it will help the American taxpayer who many times is forgotten when legislation of this kind is being considered. It is quite apparent that there are two distinct savings that will automatically accrue to the taxpayer if this legislation becomes law. It will do away with the need for export subsidies which, over the past few years, has amounted to almost a billion dollars.

The biggest saving will come about for the reason it will eventually eliminate the astronomical storage charges that have been paid for the storage of the surplus wheat. In addition to doing away with these storage charges the losses of price support loans will be reduced—because now the Government has to assume the loss. It is generally believed that administrative costs of this suggested program will be much less than the present program.

No one or no agency can be absolutely accurate as to the cost of this domestic parity plan but the administrative costs may be established on an analytical basis and it is believed that the administrative costs would be about as follows: For establishing domestic quotas, \$200,000; cost of issuing certificates to producers, \$800,000; cost of handling processors' certificates, \$500,000; increased administrative costs, \$1,500,000. These estimated costs are based upon the same volume of price support operations.

During the fiscal year of 1957-58, the average cost to handle a loan was a little over \$10. There were a little over 200,000 wheat loans made during the above fiscal year.

It is believed that the export subsidy would be much less under this domestic parity plan. During the 1957-58 fiscal period the subsidy on 400 million bushels at 75 cents subsidy amounted to \$300 million. Under this plan as now being considered for the same number of bushels it would cost 25 cents—subsidy—per bushel, or \$100 million; on this comparison a saving to the taxpayer would be made of \$200 million.

Many have asked if this domestic parity plan will change the parity prices of wheat and corn. The level of parity will remain unchanged with the parity price of wheat \$2.42 and corn \$1.76.

The price support level for corn will remain 77 percent of parity or \$1.36 per bushel.

The feed ratio in these computations is the general formula in use on a bushel basis of wheat to corn 105 percent. The support price for wheat is \$1.36 times 105 percent or \$1.43.

It is generally assumed by those who have long studied this plan that under it the domestic food wheat consumption quota would be 480 million bushels and based on past experience and averages the number of bushels that would be exported would be 400 million. The domestic and export would be 880 million bushels and we can assume that under this plan 60 million acres would be planted and using past figures there is a yearly 11.9 percent abandoned acres which leaves 53 million acres to be harvested; taking a high above-average yield of 19.5 bushels per acre this gives us a total production of 1,025,000,000 bushels, assuming that 60 million acres would be planted those planted acres would consume 60 million bushels of seed.

The world price would remain unchanged at about \$1.40 per bushel f. o. b. Atlantic Gulf Seaboard.

If we compare the costs under the present program and this domestic parity plan we know what the 1957-58 actual operations costs to be. There are 256.3 million bushels under price support and an expected delivery of another 168 million bushels. The loan rate of 75 percent of parity is \$1.81. Therefore, this 168 million times \$1.81 will be \$304 million.

Under a domestic parity plan, with a loan rate of \$1.43, the acquisition cost of 168 million bushels would be \$240 million, giving us a saving of \$64 million.

The figures and estimates set out above is based on the assumption that there would be about the same volume as under the present program. It is quite evident that if there was lower level of price supports this would naturally increase a saving in acquisition costs.

There is one factor in the present law that causes much concern to our State Department and those charged with our Foreign Relations. Under the present operating plan it is necessary to subsidize all wheat exports by direct payments from Federal Treasury at about 75 cents a bushel. This causes other wheat producing countries to accuse the United States of dumping our wheat and taking their markets. Under the domestic parity plan wheat for export would move at the market price without benefit of a subsidy. This domestic parity plan would certainly do away with the charge of United States dumping of wheat.

One of the dangers pointed out by many in the Agriculture Department and some Members of Congress coming from the city areas is that this plan would increase the cost of bread.

Clifford Hope, ex-chairman of the House Committee on Agriculture, said in answer to this question:

It should also be kept in mind that the amount of wheat in a loaf of bread costs about 2½ cents and has little effect on the retail price. For instance, in January 1948, the farm price of wheat reached a peak of \$2.81 per bushel, and the average price of a 1 pound loaf of bread was 13.8 cents. Today the farm price of wheat has dropped to less than \$2, yet the average price of a pound loaf of bread has increased to 17.5 cents.

There is another very important factor which should be considered by those who have been critical of the present program in that a bushel of wheat was a bushel of wheat, regardless of quality. Under the domestic parity plan, wheat will be sold on the open market and its price will be largely based on quality. This plan will clearly be an inducement for all wheat farmers to produce and grow quality wheat. This certainly is better than the price being determined by edict of some Secretary of Agriculture.

Former Congressman Clifford Hope, in summarizing the advantages of the domestic parity plan over the present existing program, said:

First. Returns to the farmer would be somewhat greater than under the present program, and there is a good prospect that expanded outlets might substantially increase these returns in the future.

Second. Marketing quotas and marketing penalties would be eliminated and acreage controls greatly minimized and possibly eliminated in the course of time.

Third. Relief to taxpayers would be afforded through an immediate substantial reduction in the costs of the present program and eventual elimination of practically all such costs.

Fourth. To a large extent, it would take the Government out of the warehousing and marketing of wheat and in the end probably do away with such activities altogether.

Fifth. Wheat would be produced for market instead of for Government loans and storage, thus encouraging the production of wheat with superior milling qualities.



Sixth. Producers of livestock and poultry, wherever situated, would be able to produce wheat for feed or buy wheat at feed prices.

Seventh. There would be some expansion of wheat exports through the elimination of redtape and other obstacles existing at present.

Eighth. The plan would be a recognition of the fact that wheat is produced and used for various purposes and would furnish an effective method of moving wheat into its natural outlets and market channels.

Ninth. It would return to the farmer greater freedom and control over his activities.

It is to be noted that much of the opposition to the domestic parity plan comes from midwestern corn farmers. They always say wheat under this domestic parity plan becomes competitive with corn as a feed grain. These corn interests and their representatives are always talking about "the waving fields of wheat" but they do not yet seem to understand that their real competitors are not wheat farmers but the sorghum grain farmers.

Kansas is known as a wheat State but last year Kansas produced more bushels of sorghum grain than wheat. This sorghum grain is a direct competitor with corn as a grain feed. In fact some feeders of livestock now prefer sorghum grain to corn as a feed.

Mr. COAD. Mr. Speaker, it is obvious that among the Members of the House today there is a coalition whose prime efforts will be to defeat the rule which calls for debate on the omnibus farm bill, H. R. 12954. This is not just an assumption on my part for it has been stated many times during this discussion on the floor and it is apparently an organized effort. But before we rush headlong into something as serious as killing a rule let us ponder a moment and realize the importance of proceeding with full debate on this measure.

Mr. Speaker, we are concerned about making certain that our Nation is strong. We want our Nation strong against enemies from abroad and from those within. We are concerned about the threat of communism. We are concerned about the Russian sputnik and scientific lead. We are concerned about maintaining a free world which has been assisted in large part by our mutual security programs. We are concerned about our Nation internally—our recession problems, our cost of living inflationary spiral, unemployment, and all the rest of those troublesome and perplexing difficulties. Mr. Speaker, while this House may not have passed every bill concerning these problems just as they have been brought to this floor, at least we have done the decent and democratic thing in letting the problems be fully debated.

But here are those, and I regret that many are from farm districts, who are saying that we should not even discuss this matter. They are saying that we should not even have an opportunity to vote on the pros and the cons of this legislation.

Now just because the Secretary of Agriculture, and Time magazine, and some of the other slick-back magazines have been playing up the temporary favorable farm price situation does not

mean that agriculture is out of the woods. Let us appraise the facts accurately. Let us take a look at what the situation really is.

Total farm production is up 6 percent in spite of record carryovers; farm prices are down 16 percent; farm parity ratio is down 18 percent; realized net farm income is down 19 percent and the purchasing power of that farm income is down 23 percent which is the lowest level since 1940.

The current rise in farm income which has occurred in only a few commodities has been the result of heavy restocking of revived livestock pastures in the cattle country and the freeze in the fruit and vegetable areas this spring.

The weather cut down the market supply of these farm products and the prices increased. But according to the predictions of the Department of Agriculture our hog farmers will not be able to count on the prices which are presently available very long. The farrowings in Iowa are going to be increased 20 percent this fall. The Iowa anticipated farrowings are somewhat higher than the national average which is 14 percent. But let us realize this, that even 14-percent increase in hog production will revive the 1955 hog price fiasco all over again.

Without adequate feed grain legislation we are inviting this cost-price disaster upon our farmers. No one would like for our farmers to be able to organize sufficiently in order to control his own price more than I. But until this is done it is the responsibility of Government to avoid price collapse disasters from falling upon our people.

Even to pass this bill which will be before us today, if we pass this rule, does not mean that we have tied our farmers to any definite plan. The farmer will be able by referendum vote to decide for himself whether he wants: First, no price supports and controls at all; second, low supports and no controls; or third, production controls, and higher price supports. The farmer will choose for himself and for 3 years will be guided by his own decision.

Mr. Speaker, for the sake of our Nation and for the safe of a strong agriculture I hope that the rule will be adopted so that we can at least debate the farm legislation which will then be before us.

Mr. O'HARA of Illinois. Mr. Speaker, it has been my practice to vote for rules bringing proposed legislation to the floor of the House whether I were strongly in support of the measures or were strongly opposed to them. It is a rule of fair play that decisions on people or on issues should not be reached until a hearing has been given to both sides.

What we have before us now is a rule to permit a full hearing both to the proponents and the opponents of an omnibus agricultural bill on which one of the respected committees of this House has worked for a long time. It is an open rule. That means, of course, that in all probability there will be many amendments with the result that when the House has worked its will the bill conceivably may be much different than in its present form.

I appreciate, of course, that this is Thursday and that many of the Members desire to get away for the weekend. I appreciate also that under the rule there would be 5 hours of general debate and that when we were under the 5-minute rule the debate on the amendments might keep us here all of Saturday and well into Saturday night. That, Mr. Speaker, is part of our job. It seems to me a lazy way of getting out of doing our job by defeating a rule that if adopted would force us, in all probability, to spend the rest of the week well into Saturday night working our will on a bill that admittedly has many good features and also has provisions that to many of us are objectionable.

I do not know of anyone who would wish to end the school milk program. I do not know of anyone who would end the program for veterans' hospitals. I do not know of anyone who would wish to end the agricultural trade development and assistance program. I would not wish to end those programs or to take a chance on their termination merely because I was unwilling to remain on the job, possibly into Saturday night. There are provisions in this bill that as they are now presented I could not support. In the end I might not vote for the bill. But certainly I could reach no decision until this body had worked its will and I knew what was in the bill after the amendments had been passed on.

Mr. Speaker, I think I have made my position clear. In voting for the rule to permit the House to work its will, I am not voting on the merits or demerits of H. R. 12954. I am not a member of that committee, and I have but recently come into possession of the report of the committee. This report is 160 pages in length. Until I have read the report and until I have listened to the debate I, who am not a member of the committee, can have no way of judging and of reaching determination as to the manner of my vote. Many statements have been made in the debate on the rule, which if true would prejudice me against the bill, at least in some of its provisions. But that is no reason why I should refuse to give both sides a full and a fair hearing. Frankly, I do not think it is good legislative procedure to kill any bill by killing the rule, when the rule is open, according Members the full right of amending.

Mr. COOLEY. Mr. Speaker, it is astonishing to me, and it is a sad day for every farm family in America, that the Republican Members of this House seem to be organizing into a virtually solid phalanx to deny the Members of this great body an opportunity even to consider this bill which has as its purpose an improvement of our farm economy and which will mean so much to the consumers of America.

This legislation is based on the proposition that any program for agriculture must be fair to farmers and consumers alike.

It proposes substantial savings to taxpayers, by reducing the costs of farm program operations.



It assures a perpetuation of food and fiber abundance, at reasonable costs to consumers.

It seeks to strengthen the family farm and thereby arrest the migration of farm people to the cities where they are adding to the rolls of the unemployed and are competing for jobs with the established labor supply.

It will enable our Government to share our food and fiber abundance more beneficially with friendly peoples the world over, by the extension and expansion of Public Law 480.

It assures a continuation of the school-milk program, and the milk programs for veterans' hospitals and for the armed services.

It carries forward the vital program making our abundant foods available to our needy citizens in the United States.

It provides for the movement of food into markets and not into Government warehouses.

It provides greater freedom for farmers in the operation of programs, but giving them broader opportunities to vote on the kind of program they want, or whether they want a program at all.

Mr. Speaker, the question was just asked in this debate, by one of our friends representing a city constituency: What will this bill mean to consumers?

I should like to point out to the House that our total population consumed 11 percent more farm-produced foods in 1957 than in 1952, yet our farmers received \$600 million less for that larger volume of production in 1957 than for the more limited volume in 1952. In contrast, consumers paid food processors and marketing middlemen \$6.1 billion more in 1957 than in 1952, for hauling, processing and handling the food between the farm gate and the retail counter.

One of our Republican colleagues, who represents a farm area, has referred to the wheat section of this bill as a "bread tax." The gentleman should know better than that. He is aware that the price of wheat to the farmer has very little, if anything, to do with the price of bread.

In January, 1948, the farm price of wheat was \$2.81 a bushel and the average price of a 1-pound loaf of bread throughout the Nation was 13.3 cents. By April of 1958 the farm price of wheat had dropped to \$1.95 per bushel, but the average price of a loaf of bread had climbed to 19.1 cents. Thus, while the price of wheat declined 31 percent, the price of bread increased 38 percent. Today the farmer gets only about 2.5 cents for the wheat in a 19.1 cent loaf of bread.

The same is true with a great variety of other farm commodities. Farm prices constantly declined from 1953 through 1957, and consumer prices—prices at the grocery counter—constantly increased.

There has been a steady deterioration of the circumstances of agriculture, from 1953 through 1957. Farm prices in 1957 were down 16 percent, the farm parity ratio down 18 percentage points, realized net farm income down 19 percent, lowest since 1942, purchasing power of that farm income down 23 percent, lowest since 1940, farm debt at a record

high, the farm population declining by 4 million, and in 1957 the returns to all farm workers for their labor and management reached a low of 69 cents an hour while the average wage of industrial workers reached a high of \$2.07 an hour.

Mr. Speaker, during the years of the operation of the farm program the American consumers have profited and benefited more in their food needs than in any other period of history. In America, the wage earner pays a smaller part of his income for food than in any other place around the world. Notwithstanding the great increase in the costs of transportation, processing, and marketing food in recent years, the average hourly pay for factory workers today generally will buy twice as much food as in 1929, prior to the beginning of the farm program. As an illustration, the pay for an hour's work in a factory in 1929 would buy 6.4 loaves of bread; today it will buy 11 loaves.

The retail costs of a number of food items rose in the early months of 1958. This in part reflected higher prices at the farm level. The temporary farm price increase primarily was the result of first, severe winter freezes in the South which destroyed vegetable and fruit crops; second, the end of 7 years of drought in the Plains States which created a heavy demand for cattle to restock the plains; and third, to the fact that cattle, hog, and sheep producers all decided to hold back animals and rebuild their breeding herds in the same year.

The recent increases in the retail prices of meat, vegetables and fruit items have resulted in some complaints from consumers. A number of those who complain blame farmers for high food costs.

Mr. Speaker, we who present this bill here today are not responsible for the markups or profits of the middlemen who haul, process and handle food between the farm gate and the retail counter. I simply point out to those Members here representing urban districts that the somewhat better returns received by farmers for some foods in the first 3 months of this year, even if continued throughout 1958, still would give to the farmer less for the same commodities than he received in 1952. I previously have pointed out that in 1957 farmers received \$600 million less for the 11 percent more food they produced, as compared with 1952, but that those middlemen between the farmer and consumer received \$6.1 billion more in 1957 than in 1952, for handling the food. The higher prices on retail counters reflected the markups after the food left the farm.

The bill before us will assure our consumers continued abundance, at prices at the farm level which should reflect fair prices at the retail counters.

Moreover, this measure sharply reduces burdens upon taxpayers. It would save expenditures on the wheat program which have run as high as \$826 million in 1 year, and on the dairy program which now is costing about \$400 million a year and which has an accumulated loss to the Commodity Credit Corporation amounting to more than \$1.5 billion.

Mr. Speaker, it is unthinkable that any Member of this House, regardless of his party affiliation or whether he represents an urban or a rural district, would want to return home and tell his people that he joined in the movement, that is evident here, to prevent this bill from being considered by the House of Representatives.

I plead with my colleagues that you allow this bill to be presented, so that we, without partisan feelings or expressions, may consider all of its provisions, and then act in our best judgment, and according to the conscience of each of us, in a way that will improve the conditions of our farmers and will advance the best interests of all Americans.

Mr. DIXON. Mr. Speaker, this ominous farm bill is a hodgepodge of unworkable legislation sweetened up by urgently needed universally supported sections. It is intended to include something for almost everybody except the unorganized consumer and the taxpayer. It is one of the most striking examples of the prophetic qualities of Mark Twain's statement that the farmers' most serious problems were the Democrats and the Republicans. It provides a sad spectacle for the statesman who stands for principle and desires to uphold the high standard and dignity of House action.

The crops that are receiving the most subsidy and would cost a billion and a half dollars under this legislation are the very ones that are in the greatest trouble. Conversely those farm commodities receiving little or no Government help—such as cattle, hogs, and potatoes—enjoy prosperity even in these times of recession.

Frantic efforts to completely repeal the law of supply, make the farmer feel that there is pie in the sky like the old illusion of King Midas in which everything he touched turned to gold, is a deceiving mirage. In fact, complicated, costly, unworkable programs like we have in this bill for feed grains, wheat, rice, and cotton are turning to lead instead of gold in every instance. Furthermore they would place more and more farmers in bondage to the Federal Government and make them dependent upon fickle political whims such as we find in this measure.

I am telling you our substantial farmers want none of it. Likewise the consumers, and especially the unemployed do not want a bread tax of an additional 1 cent a loaf and a milk tax of 1½ cents a quart. We just cannot permit our wonderful citizens to lose control of their destiny to big government.

The excellent parts of this bill are, first, Public Law 480, which expires next Monday midnight. All farmers have already suffered seriously through the determination upon the part of the majority of the Agriculture Committee to hold up the measure in order to force us to vote for phony legislation. The result has been that the Department of Agriculture has been deterred from entering into \$500 million of contracts for food sales which it might have been able to make abroad.

The Senate passed Public Law 480 weeks ago. Let us get it out under



suspension this afternoon or tomorrow and send it to the President to be signed. I have pleaded with our committee for months to do this very thing.

The school milk program is the second section of the bill that is praiseworthy, and a million schoolchildren and children in summer camps, and inmates in hospitals will suffer. If we wait to pass this omnibus bill, we will wait a long time, and I for one will take no responsibility for this noxious delay. Again, let us get the milk program out and pass it today or tomorrow under suspension of the rule.

Other commendable features of the bill are the sections pertaining to wool and tung nuts, both of which are strategic defense commodities and are legislation favored by all of us. We could pass this legislation in a few minutes if we wished and not go wrong.

H. R. 12954, this omnibus bill, is highly controversial. The people who drew it up do not understand it themselves. The Agriculture Committee, to which I belong, does not even understand it; neither do the majority of the Members favor it as a whole. Some go along with measures they oppose in order to secure measures which they favor. It would take days of discussion on the floor of the House to work out the controversial sections. The same would be true in the Senate, and then more than likely it would receive a veto by the President.

Why should these controversial, unpalatable measures be standing in the road of meeting a deadline on measures so desperately needed, as the school milk bill, the commodities exchange program, and the Wool Act.

Mr. Speaker, I have confidence that there will be a sufficient number of Congressmen on both sides of the aisle who will stand up for principle, help the farmers, relieve the taxpayers, and wipe out this bread-and-milk tax on the consumer by voting against the rule.

Mr. HENDERSON. Mr. Speaker, the omnibus nature of the legislation we are considering today is most unsatisfactory to me. There are, without question, a number of the parts of this bill which are meritorious and, in my opinion, deserve prompt and favorable consideration by the Congress. However, the parliamentary device which is being used here requires the acceptance of many programs which are only vaguely related in order to obtain favorable consideration of proposals which, in themselves, are not controversial. As a piece of legislation, this omnibus bill is a most cumbersome potpourri. In it can be found measures which cover a broad spectrum of the activities of the Department of Agriculture.

There are many portions of the bill which I believe are not in the best interests of the agricultural economy of this Nation. Therefore, I wish to state my opposition to the bill and express the hope that the various proposals can be untangled and legislation reported which will permit responsible consideration of the various issues.

Let us take just one aspect of this bill as an instance of needed legislation—the amended language of the

Trade Development and Assistance Act. In this legislation are matters dealing with policies of the United States with respect to the bartering of surplus agricultural commodities for strategic materials. Such legislation has a broad effect upon domestic industry of the United States.

There is a critical need for legislation to make certain that ores may be processed in the United States. There was little difficulty under the barter program as it was authorized in Public Law 480 of the 83d Congress until last year, when the Department of Agriculture, through administrative action, prohibited deliveries under barter contracts where ores were to be processed or produced in the United States. The effect of this action was to reduce sharply the number of barter transactions and has been felt throughout our economy. This administrative directive eliminates for domestic mineral and ore processors the opportunity to compete for such processing business as may be available and assures foreign operators the sole and exclusive right to operate within the barter program.

It has been accepted practice that a large proportion of ores and minerals used domestically for alloying purposes are processed in the United States regardless of their country of origin. The results of this administrative directive cannot be over-emphasized in terms of the distress which it is causing in the ore-processing industry in the United States, an industry which has already felt the severe downturn in activity. In terms of employment opportunities, I believe that there is a direct relationship between the Department of Agriculture's administrative directive and the number of unemployed workers in our ore-processing plants.

In this bill is an amendment restoring domestic ore processors the right to compete in the barter program. The language of the bill is as follows:

The authorities contained in this section shall, in addition to other types of transactions, permit the domestic processing of raw materials of foreign origin or of domestic origin where the domestic processor agrees to import an equivalent amount of similar foreign material.

This is a matter of serious concern which should be dealt with by the Congress without further delay and without forcing the wedding of it and other meritorious proposals to a crazy-quilt bill of the nature we are considering today.

Mr. COLLIER. Mr. Speaker, H. R. 12954 before this House today is another conglomeration of the type of agriculture legislation which has created multiple problems in this area of our national economy.

Secretary of Agriculture, Ezra Benson hit the nail on the head when he described it as a loosely constructed piece of legislation.

One could literally tear several sections of this bill apart. At the same time we must in all fairness agree that there are certain sections of it which are sound but which can be enacted into law as individual measures. Certainly the milk section of the bill contains some

good proposals. But, let us look at the objectionable provisions of this legislation and the result we must consign ourselves to accepting if the rule is not defeated.

It would impose upon dairy farmers a referendum loosely drawn and hastily prepared production control coupled with a tax program which would inevitably divide price support authority between the Secretary and a dairy board. This would not be advantageous in any respect to either the dairy farmer or the consumer.

The bill threatens to remove from the present price support law, language consistent with the public interest.

In the area of feed grains, the bill calls for unworkable marketing quotas and is totally unfair to small producers because it denies them the right to vote and then restrict their acreage.

The program would be unduly expensive and might well run in excess of a cost of \$500 million a year.

In conclusion, I submit that this bill is by no means a sound solution to the farm problem on any permanent basis. We have lived too long with patchwork legislation in agriculture that has been detrimental to our farm economy. We have drifted from the stability of a free agricultural economy in this country. Only recently agriculture economy and prices have begun to move upward as a result of withdrawing government interference and excessive subsidy. Secretary Benson's program is designed to re-establish a free operation of our farm economy and a return to the basic law of supply and demand. This type of program is sound and, I am sure, in the best interests of both the farmer and the consumer. It should not be scuttled by the enactment of the bill before us today.

Mr. REES of Kansas. Mr. Speaker, a vote for this resolution simply means the House is willing to consider a bill reported by a majority membership of the members of the great House Committee on Agriculture. The Committee on Rules has approved the granting of a rule providing for debate of 5 hours, after which it may be considered for amendments.

Members of the committee tell us many weeks have been expended on this proposed legislation. The bill comprises more than 60 pages. The report comprises 160 pages.

It seems pretty severe to say we are not willing to even consider the bill. The bill can be debated. Then amendments can be offered. We can vote them up or down as we see fit. There are a number of provisions in the bill I do not approve. I shall expect to vote against such provisions when the bill is read for amendments. If the bill does not meet with approval, after it is amended, then we can, of course, Members will vote for or against it.

We spend a lot of time discussing other subjects of no more importance. I just do not believe we should turn this legislation down without even considering it. If there are certain provisions in the present law that are about to expire and ought to be extended, they can be cared for promptly in the event this legislation is defeated. Let us not say we are not



willing to consider a measure of such importance.

The SPEAKER. The question is on the resolution.

Mr. BROWN of Ohio. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 171, nays 214, answered "present" 1, not voting 44, as follows:

[Roll No. 107]

#### YEAS—171

|                |               |                 |
|----------------|---------------|-----------------|
| Abbott         | Green, Oreg.  | O'Hara, Minn.   |
| Abernethy      | Griffiths     | O'Konski        |
| Albert         | Gross         | Passman         |
| Alexander      | Hardy         | Patman          |
| Andersen,      | Harris        | Perkins         |
| H. Carl        | Harrison, Va. | Pfost           |
| Andrews        | Harvey        | Pilcher         |
| Anfuso         | Hays, Ark.    | Poage           |
| Ashmore        | Hemphill      | Polk            |
| Aspinall       | Holland       | Porter          |
| Bailey         | Holmes        | Preston         |
| Baldwin        | Horan         | Price           |
| Barden         | Huddleston    | Quie            |
| Bass, Tenn.    | Hull          | Rabaut          |
| Beckworth      | Ikard         | Rains           |
| Bennett, Fla.  | Jarman        | Rees, Kans.     |
| Bennett, Mich. | Jennings      | Reuss           |
| Blatnik        | Jensen        | Riley           |
| Blitch         | Johnson       | Rivers          |
| Boggs          | Jones, Ala.   | Roberts         |
| Bolling        | Jones, Mo.    | Rogers, Tex.    |
| Bonner         | Karsten       | Rooney          |
| Bray           | Keogh         | Rutherford      |
| Breeding       | Kilday        | Santangelo      |
| Brooks, Tex.   | Kilgore       | Saund           |
| Brown, Ga.     | King          | Scott, N. C.    |
| Brown, Mo.     | Kirwan        | Scrivner        |
| Burleson       | Kitchin       | Selden          |
| Cannon         | Kluczynski    | Sieminski       |
| Carnahan       | Knutson       | Sikes           |
| Chelf          | Landrum       | Smith, Kans.    |
| Coad           | Lankford      | Smith, Miss.    |
| Coffin         | Lennon        | Smith, Va.      |
| Colmer         | Lesinski      | Spence          |
| Cooley         | Libonati      | Springer        |
| Davis, Tenn.   | Loser         | Staggers        |
| Dawson, Ill.   | McCarthy      | Sullivan        |
| Delaney        | McCormack     | Teague, Tex.    |
| Denton         | McGovern      | Thomas          |
| Diggs          | Machrowicz    | Thompson, Tex.  |
| Dingell        | Mack, Ill.    | Tuck            |
| Dorn, S. C.    | Madden        | Ullman          |
| Dowdy          | Mahon         | Vinson          |
| Durham         | Marshall      | Watts           |
| Elliott        | Matthews      | Weaver          |
| Everett        | Miller, Nebr. | Westland        |
| Evins          | Mills         | Whitener        |
| Fascell        | Mitchell      | Whitten         |
| Fisher         | Montoya       | Wier            |
| Flood          | Morgan        | Williams, Miss. |
| Flynt          | Morrison      | Willis          |
| Forrester      | Moss          | Winstead        |
| Fountain       | Multer        | Withrow         |
| Frazier        | Murray        | Wright          |
| Gathings       | Natcher       | Young           |
| George         | Norrell       | Zablocki        |
| Grant          | O'Brien, Ill. |                 |
| Gray           | O'Hara, Ill.  |                 |

#### NAYS—214

|               |               |               |
|---------------|---------------|---------------|
| Adair         | Budge         | Dent          |
| Addonizio     | Bush          | Derounian     |
| Alger         | Byrd          | Devereux      |
| Allen, Calif. | Byrne, Ill.   | Dixon         |
| Allen, Ill.   | Byrne, Pa.    | Dollinger     |
| Arends        | Byrnes, Wis.  | Donohue       |
| Auchincloss   | Canfield      | Dooley        |
| Avery         | Carrigg       | Dorn, N. Y.   |
| Ayres         | Cederberg     | Doyle         |
| Baker         | Celler        | Dwyer         |
| Baring        | Chenoweth     | Fallon        |
| Barrett       | Chipperfield  | Farbstain     |
| Bass, N. H.   | Christopher   | Feighan       |
| Bates         | Church        | Fenton        |
| Baumhart      | Clark         | Fino          |
| Beamer        | Clevenger     | Fogarty       |
| Becker        | Collier       | Forand        |
| Belcher       | Corbett       | Ford          |
| Bentley       | Cramer        | Frelinghuysen |
| Berry         | Cretella      | Friedel       |
| Betts         | Cunningham,   | Fulton        |
| Boland        | Iowa          | Garmatz       |
| Bolton        | Cunningham,   | Gary          |
| Bosch         | Nebr.         | Gavin         |
| Bow           | Curtin        | Granahan      |
| Boyle         | Curtis, Mass. | Griffin       |
| Broomfield    | Curtis, Mo.   | Gubser        |
| Brown, Ohio   | Dague         | Hagen         |
| Brownson      | Dawson, Utah  | Haley         |
| Broyhill      | Dennison      | Halleck       |

|                 |                |                |
|-----------------|----------------|----------------|
| Harden          | McIntosh       | Rogers, Mass.  |
| Harrison, Nebr. | McVey          | Sadlak         |
| Haskell         | Macdonald      | St. George     |
| Hays, Ohio      | Mack, Wash.    | Saylor         |
| Healey          | Magnuson       | Schenck        |
| Henderson       | Mailliard      | Scherer        |
| Herlong         | Martin         | Schwengel      |
| Heselton        | Mason          | Scott, Pa.     |
| Hess            | May            | Scudder        |
| Hiestand        | Meader         | Seely-Brown    |
| Hill            | Merrrow        | Sheehan        |
| Hillings        | Michel         | Shelley        |
| Hoeven          | Miller, Md.    | Sheppard       |
| Hoffman         | Miller, N. Y.  | Siler          |
| Hollfield       | Minshall       | Simpson, Ill.  |
| Holt            | Moore          | Simpson, Pa.   |
| Holtzman        | Morano         | Sisk           |
| Hosmer          | Mumma          | Smith, Calif.  |
| Hyde            | Neal           | Stauffer       |
| Jackson         | Nicholson      | Taber          |
| James           | Nlmtz          | Teague, Calif. |
| Johansen        | Nix            | Teller         |
| Jonas           | Norblad        | Tewes          |
| Judd            | O'Brien, N. Y. | Thomson, Wyo.  |
| Kean            | Osmer          | Tollefson      |
| Kearns          | Ostertag       | Udall          |
| Keating         | Patterson      | Utt            |
| Kee             | Pelly          | Vanik          |
| Kelly, N. Y.    | Philbin        | Van Pelt       |
| Kilburn         | Pillion        | Van Zandt      |
| Knox            | Poff           | Vorys          |
| Krueger         | Powell         | Vursell        |
| Lafore          | Prouty         | Wainwright     |
| Laird           | Ray            | Walter         |
| Lane            | Reed           | Wharton        |
| Latham          | Rhodes, Ariz.  | Widnall        |
| LeCompte        | Rhodes, Pa.    | Wigglesworth   |
| Lipscomb        | Riehlman       | Wilson, Calif. |
| McCulloch       | Robison, N. Y. | Wilson, Ind.   |
| McDonough       | Robison, Ky.   | Yates          |
| McFall          | Rodino         | Younger        |
| McGregor        | Rogers, Fla.   | Zelenko        |

#### PRESENT—1

Thompson, N. J.

#### NOT VOTING—44

|             |                |                 |
|-------------|----------------|-----------------|
| Anderson,   | Glenn          | O'Neill         |
| Mont.       | Gordon         | Radwan          |
| Ashley      | Green, Pa.     | Reece, Tenn.    |
| Boykin      | Gregory        | Robeson, Va.    |
| Brooks, La. | Gwinn          | Rogers, Colo.   |
| Buckley     | Hale           | Roosevelt       |
| Burdick     | Hébert         | Shuford         |
| Chamberlain | Jenkins        | Steed           |
| Coudert     | Kearney        | Talle           |
| Davis, Ga.  | McIntire       | Taylor          |
| Dellay      | McMillan       | Thompson, La.   |
| Dies        | Metcalf        | Thornberry      |
| Eberharter  | Miller, Calif. | Trimble         |
| Edmondson   | Morris         | Williams, N. Y. |
| Engle       | Moulder        | Wolverton.      |

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for with Mr. Taylor against.  
 Mr. Buckley for with Mr. Talle against.  
 Mr. Edmondson for with Mr. Gwinn against.  
 Mr. Morris for with Mr. Jenkins against.  
 Mr. Moulder for with Mr. Coudert against.  
 Mr. Robeson of Virginia for with Mr. McMillan against.  
 Mr. Burdick for with Mr. Glenn against.  
 Mr. Boykin for with Mr. Reece of Tennessee against.  
 Mr. McMillan for with Mr. Miller of California against.  
 Mr. Dies for with Mr. Engle against.  
 Mr. Ashley for with Mr. Roosevelt against.  
 Mr. Gordon for with Mr. Green of Pennsylvania against.  
 Mr. Thornberry for with Mr. Thompson of New Jersey against.  
 Mr. Thompson of Louisiana for with Mr. O'Neil against.  
 Mr. Trimble for with Mr. Wolverton against.  
 Mr. Brooks of Louisiana for with Mr. Dellay against.  
 Mr. Rogers of Colorado for with Mr. Radwan against.  
 Mr. Steed for with Mr. Kearney against.

Until further notice:  
 Mr. Davis of Georgia with Mr. Hale.

Mr. Anderson of Montana with Mr. Williams of New York.  
 Mr. Metcalf with Mr. Chamberlain.

Mr. THOMPSON of New Jersey. Mr. Speaker, I have a live pair with the gentleman from Texas [Mr. THORNBERRY]. If he were present, he would vote "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. HERLONG changed his vote from "yea" to "nay."

Mr. DORN of New York changed his vote from "yea" to "nay."

Mr. ZABLOCKI changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

#### GENERAL LEAVE TO EXTEND REMARKS

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may revise and extend their remarks in the RECORD prior to the rollcall.

The SPEAKER. Is there objection? There was no objection.

#### EXTENDING EXISTING CORPORATE NORMAL-TAX RATE AND CERTAIN EXCISE-TAX RATES

Mr. MILLS submitted the following conference report and statement on the bill (H. R. 12695) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excess-tax rates:

#### CONFERENCE REPORT (H. REPT. NO. 2025)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12695) to provide a one-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Sec. 4. Repeal of taxes on transportation of property.

"(a) Repeal: Effective as provided in subsection (c), part II (relating to tax on transportation of property) and part III (relating to tax on transportation of oil by pipeline) of subchapter C of chapter 33 of the Internal Revenue Code of 1954 are hereby repealed.

"(b) Technical amendments: Effective as provided in subsection (c):

"(1) The table of subchapters for chapter 33 of the Internal Revenue Code of 1954 is amended by striking out

"Subchapter C. Transportation." and inserting in lieu thereof

"Subchapter C. Transportation of persons."

"(2) Subchapter C of chapter 33 of such Code is amended by striking out the table of parts for such subchapter and the heading of part I of such subchapter, and by striking out the heading of the subchapter and inserting in lieu thereof the following:

"Subchapter C—Transportation of Persons."

"(3) Section 4292 of such Code (relating to State and local governmental exemption) is amended to read as follows:



"SEC. 4292. State and local governmental exemption.

"Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed under section 4251 or 4261 upon any payment received for services or facilities furnished to the Government of any State, Territory of the United States, or any political subdivision of the foregoing or the District of Columbia."

"(4) Section 6415 of such Code (relating to credits or refunds to persons who collected certain taxes) is amended by striking out '4271,' each place it appears therein.

"(5) Section 6416 (a) of such Code (relating to credits or refunds of certain taxes on sales and services) is amended by striking out 'or 4281'.

"(6) Section 6416 (f) of such Code (relating to credit on returns) is amended by striking out 'or section 4281', and by striking out 'by such chapter or section' and inserting in lieu thereof 'by such chapter'.

"(7) Section 7012 of such Code (cross references) is amended by striking out subsection (i) and by redesignating subsection (j) as subsection (i).

"(8) Section 7272 (b) of such Code (relating to penalty for failure to register) is amended by striking out '4273,'.

"(c) Effective Dates.—

"(1) Except as provided in paragraph (2), the repeals and amendments made by subsections (a) and (b) shall apply only with respect to amounts paid on or after August 1, 1958.

"(2) In the case of transportation with respect to which the second sentence of section 4281 of the Internal Revenue Code of 1954 applies, the repeals and amendments made by subsections (a) and (b) shall apply only if the transportation begins on or after August 1, 1958."

And the Senate agree to the same.

That the title of the bill be amended to read as follows: "An Act to provide a one-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and to provide for the repeal of the taxes on the transportation of property."

W. D. MILLS,  
AIME J. FORAND,  
CECIL R. KING,  
DANIEL A. REED,  
RICHARD M. SIMPSON,

*Managers on the Part of the House.*

HARRY F. BYRD,  
ROBERT KERR,  
G. A. SMATHERS,  
EDWARD MARTIN,  
JOHN J. WILLIAMS,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12695) to provide a one-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment to the text of the bill added a new section providing for the repeal of the taxes on the transportation of property (including coal and oil by pipeline) and on the transportation of persons. Under the amendment, the repeal would be effective with respect to amounts paid on or after the first day of the first month which begins more than 10 days after the date of the enactment of the bill for, or in connection with, transportation which begins on or after such first day.

Under the conference agreement, the taxes on the transportation of property (including coal and oil by pipeline) are re-

pealed, in general, effective with respect to amounts paid on or after August 1, 1958. Under the conference agreement, the existing tax on the transportation of persons is retained without change.

The Senate amendment to the title of the bill conformed the title to the Senate amendment to the text of the bill. Under the conference agreement the title of the bill is amended to read as follows: "An act to provide a one-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and to provide for the repeal of the taxes on the transportation of property."

W. D. MILLS,  
AIME J. FORAND,  
CECIL R. KING,  
DANIEL A. REED,  
RICHARD M. SIMPSON,

*Managers on the Part of the House.*

#### SUSPENSION OF THE RULES

The SPEAKER. The Chair decides to state that he has on his desk about 16 bills for suspension of the rules. Those Members who are interested in those matters should be here to present the motion. If they are passed over, I do not know when they will be reached again.

The gentleman from Arkansas [Mr. HARRIS] is recognized.

#### HILL-BURTON ACT EXTENSION

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 12628) extending for an additional 3-year period the Hospital Survey and Construction Act.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That (a) the first sentence of section 621 of the Public Health Service Act is amended by striking out "nine" and inserting in lieu thereof "twelve."

(b) Section 651 of such act is amended by striking out "four" and inserting in lieu thereof "seven."

The SPEAKER. Is a second demanded?

Mr. O'HARA of Minnesota. Mr. Speaker, I demand a second.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HARRIS. Mr. Speaker, H. R. 12628 is a bill whose sole purpose it is to extend the Hospital Survey and Construction Act, commonly referred to as the Hill-Burton hospital construction program. This program, as everyone knows, has been in effect now for 12 years. The next fiscal year will be the last fiscal year that this program is authorized, and in order that it may be continued it is necessary to extend it. Consequently, this bill does only this one thing. It extends this program, which has proven to be so valuable in the public interest over the years, for an additional 3 years.

Mr. O'HARA of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. O'HARA of Minnesota. Would the gentleman advise the House if it is not true that this bill was reported

unanimously by a subcommittee to the entire Committee on Interstate and Foreign Commerce, and by that committee unanimously reported to the floor?

Mr. HARRIS. The gentleman is correct. The subcommittee, headed by the distinguished gentleman from Mississippi [Mr. WILLIAMS] held hearings on the legislation along with other matters affecting the program and reported the bill from the subcommittee unanimously. It was presented to the full committee which considered it and reported it to the House unanimously.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I shall be pleased to yield to the gentleman from Minnesota.

Mr. JUDD. This bill merely continues for 3 more years the same authorization as in existing law for \$150 million each year. Is that correct?

Mr. HARRIS. That is correct insofar as the authorization for general hospitals and facilities under the original act is concerned.

Mr. JUDD. And the way in which that authorized funds are to be divided up among the various types of medical facilities continues for the next 3 years as it has in the past?

Mr. HARRIS. Yes; that is true.

Mr. WILLIAMS of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the chairman of the subcommittee.

Mr. WILLIAMS of Mississippi. I would like to make one correction, if the gentleman will permit: It is the same authorization, but instead of \$150 million, the total authorization for all categories is \$211.2 million. This includes the four new categories that had been adopted in 1954.

Mr. JUDD. That is it extends for 3 more years the authorizations now in the law as amended.

Mr. WILLIAMS of Mississippi. Oh, yes; that is correct.

Mr. HARRIS. I might say to the gentleman that there is an annual appropriation of \$150 million for the Hill-Burton general hospital construction program. Some years ago the law was amended to authorize an additional \$60 million for certain other categories of facilities and this extends that amendment to the original bill also.

Mr. JUDD. That is the amendment which includes authorization to provide additional funds on a matching basis for the construction of homes for the elderly, nursing homes and homes for the chronically ill, and so on.

Mr. HARRIS. Yes.

Mr. JUDD. And one of the very best parts of the law.

Mr. HARRIS. Yes. Unfortunately we do not have a program sufficiently extensive to meet the need throughout the country.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Iowa.

Mr. JENSEN. How many dollars are authorized in this bill for that whole program?

Mr. WILLIAMS of Mississippi. \$211,200,000, I believe.







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 1, 1958  
For actions of June 30, 1958  
85th-2d, No. 108

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| Foreign trade.....      | 3     | Recreation.....          | 34    |
| Forestry.....           | 24,34 | Regulatory agencies..... | 33    |
| Livestock loans.....    | 2     | Renegotiation.....       | 22    |
|                         |       | Research.....            | 11,16 |
|                         |       | Small business.....      | 4,12  |
|                         |       | Statehood.....           | 8,18  |
|                         |       | Surplus commodities..... | 3     |
|                         |       | Surplus property.....    | 14    |
|                         |       | Taxation.....            | 37    |
|                         |       | Transportation.....      | 5,9   |
|                         |       | Water resources.....     | 15    |

HIGHLIGHTS: Senate committee reported omnibus farm bill. House passed bill to extend special milk program for 3 years. House concurred in Senate amendment to bill to extend special livestock loan authority. Several Representatives urged extension of Public Law 480. Sen. Jackson introduced and discussed measure to provide food and fiber stockpiling program. Rep. Coad introduced and discussed bill to extend Public Law 480.

## HOUSE

1. MILK. Passed without amendment, 327 to 1, S. 3342, to extend the special milk program for children for 3 years, from July 1, 1958, through June 30, 1961. The bill authorizes use of up to \$75 million of CCC funds for each of the 3 years to increase the consumption of fluid milk by children in nonprofit schools of high-school grade and under, and in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children; and provides that funds expended for this purpose shall not be considered as amounts expended for the purpose of carrying out the price-support program. This bill will now be sent to the President. pp. 11483-492
2. LIVESTOCK LOANS. Concurred in the Senate amendment to H. R. 11424, to extend for 2 years, through July 14, 1961, the authority of the Secretary to make supplementary advances to borrowers for special livestock loans. This bill will now be sent to the President. pp. 11492

3. FOREIGN TRADE; SURPLUS COMMODITIES. Several Representatives urged early consideration of legislation for the extension of Public Law 480. Rep. Cocley and Poage indicated the measure would require further study, particularly with regard to the barter provision. Rep. McCormack expressed concern with the effects of surplus disposals on our relations with friendly countries. pp. 11485-86, 11487-490, 11542-43
  4. SMALL BUSINESS. The Banking and Currency Committee reported with amendment S. 3651, to make equity capital and long-term credit more readily available for small business concerns (H. Rept. 2060). p. 11551
  5. TRANSPORTATION. The Merchant Marine and Fisheries Committee reported without amendment H. R. 12751, to extend the provisions of the Shipping Act of 1916 relating to dual rate contract arrangements (H. Rept. 2055). p. 11551  
Rep. Harris inserted the text, as passed by the House, of H. R. 12832, the omnibus transportation bill. He stated the text of the bill appearing in the June 27 Record was not complete. pp. 11500-502
  6. FLOOD CONTROL. A subcommittee of the Public Works Committee ordered reported H. R. 9924, to grant the consent of Congress to a compact between Conn. and Mass. relating to flood control. p. D614
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- SENATE
- 
7. FARM PROGRAM. The Agriculture and Forestry Committee reported <sup>(on June 28)</sup> an original bill, S. 4071, to provide price, production adjustment, and marketing programs for various commodities (S. Rept. 1766). p. 11398
  8. STATEHOOD. Passed without amendment, 64 to 20, H. R. 7999, to admit Alaska into the Union as a State. This bill will now be sent to the President. pp. 11400, 11403-6, 11416-19, 11421-6, 11428-38, 11443-70
  9. TRANSPORTATION. Senate conferees were appointed on S. 3778, the omnibus transportation bill. House conferees have been appointed. pp. 11426-8
  10. MONOPOLIES. The Judiciary Committee ordered reported without amendment S. 721, to expedite the enforcement of Clayton Act cease and desist orders. p. D612
  11. RESEARCH. Sens. Ellender and Proxmire were added as cosponsors to S. 3697, to create an Agricultural Research and Industrial Board to coordinate research into new industrial uses for farm crops. p. 11399
  12. SMALL BUSINESS. H. R. 7963, to extend the Small Business Act of 1953 and increase the SBA loan authority, was made the pending business. p. 11470
  13. FOREIGN AID. Sen. Bridges urged that Poland not be given foreign aid. p. 11416
  14. SURPLUS PROPERTY. Sen. Thye urged enactment of S. 1318, to provide for the free donation of Federal surplus property to State and local governments for recreational purposes, and inserted a letter from the Minn. Conservation Commissioner supporting the bill. p. 11471
  15. WATER RESOURCES. Sen. Watkins inserted a speech by a water attorney, "Current Developments in Water Law." pp. 11471-7



## FARM PROGRAM

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JUNE 28, 1958.—Ordered to be printed  
Filed under authority of the order of the Senate of June 27, 1958

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Mr. ELLENDER, from the Committee on Agriculture and Forestry,  
submitted the following

## REPORT

together with

## MINORITY VIEWS

[To accompany S. 4071]

The Committee on Agriculture and Forestry reported an original bill (S. 4071), to provide more effective price, production adjustment, and marketing programs for various agricultural commodities, with a recommendation that it do pass.

## GENERAL

The committee held 12 days of hearings on general farm problems from January 17 through March 4, 1958, and 8 days of hearings from May 26 through June 5, receiving varying and conflicting views as to the type of legislation needed. Because it was clear after the first series of hearings that it would be difficult at that time to work out long-range legislation which would meet with general approval, this committee reported and Congress passed Senate Joint Resolution 162 to provide a temporary stay of any reduction in support prices or acreage allotments. That resolution was vetoed by the President on March 31.

In view of this situation, the committee has prepared a bill designed to meet the most urgent needs of those commodities generally recognized as having the most serious problems. In the case of cotton and rice, it is generally agreed that, with the expiration of the provisions for national and State minimum acreage allotments which have been effective in 1957 and 1958, the acreage allotments provided by the existing formulas would be excessively stringent and disruptive of these segments of the farm economy. In the case of cotton these stringent



reductions would also have a serious effect on the entire cotton trade, which is already suffering from a shortage of many qualities. In the case of corn, it is apparent that present acreage restrictions are not effective and that a more equitable program is badly needed. The bill is designed to meet these pressing and generally recognized needs.

#### SHORT EXPLANATION

This bill is divided into three titles, dealing with cotton, corn and feed grains, and rice, respectively.

With respect to cotton, title I provides for—

(1) A program for upland cotton for 1959 and 1960 under which producers could elect to take a 40 percent increase in their acreage allotments coupled with a 15 percent of parity reduction in price support. Price support for those not taking the lower support would be by purchase only, and Commodity Credit Corporation would be required to sell cotton at not less than 110 percent of the lower support (sec. 101);

(2) Upland and extra long staple cotton price support after 1960 at 90 percent of their respective average market prices for the preceding 3 years, but not less than 30 cents per pound for middling inch in the case of upland cotton (sec. 102);

(3) Minimum upland cotton marketing quotas after 1960 adequate to assure a stable supply to meet world needs, but not less than the "larger" of (i) domestic consumption and exports less 1 million bales, or (ii) 10 million bales (sec. 103 (1));

(4) A minimum national upland cotton acreage allotment of 16 million acres, with each State sharing in the national allotment in the same proportion that it shared in the national allotment in 1958 (subject to adjustments pursuant to section 344 (k) of existing law) (sec. 103 (2));

(5) A new formula for computing national marketing quotas for extra long staple cotton after 1960, designed to minimize the effect of carryover (sec. 103 (3));

(6) Use of a 3-year adjusted yield instead of a 5-year yield in converting the national marketing quota to a national acreage allotment (sec. 103 (4));

(7) Permanent extension of the small farm cotton allotment provisions of existing law, with amendments to (A) increase the national reserve to meet States' needs for acreage to establish minimum farm allotments to 310,000 acres; (B) increase the minimum farm allotment to 10 acres or the 1958 allotment, whichever is smaller; and (C) permit estimation of States' needs after 1959 in order to save the cost of making a trial allotment to determine such needs (sec. 104);

(8) Allotment of such further acreage as may be necessary to increase each farm acreage allotment to the prescribed minimum, with provision that no part of the additional acreage allotted to States, counties, or farms by reason of provisions relating to minimum farm allotments shall be counted in computing their respective future allotments (sec. 105);

(9) Use of the previous year's allotment (instead of tillable acreage or history) as a base in making allotments, if that will facilitate effective administration (sec. 106);

(10) Retention of surrendered cotton acreage in the county so long as any cotton farmer desires it (sec. 107);

(11) Use of Middling 1 inch instead of Middling seven-eighths as the standard grade after 1960 (sec. 108);

(12) Effective August 1, 1961, increase of minimum prices for Commodity Credit Corporation sales of cotton for unrestricted use to 115 percent of the current support price, plus reasonable carrying charges; and exemption from this requirement of a quantity equal to that by which the national marketing quota is less than domestic consumption and exports (sec. 109);

(13) Express preservation of the cotton export sales program provided for by section 203 of the Agricultural Act of 1956 (sec. 110).

## TITLE II—CORN AND FEED GRAINS

With respect to corn and feed grains, title II provides, effective with the 1959 crops, for—

(1) Discontinuance of corn acreage allotments and the commercial corn-producing area (sec. 201);

(2) Price support for corn at 90 percent of the 3-year average price (adjusted to offset the effect of abnormal quantities of low-grade corn), but not less than \$1.10 per bushel (sec. 202);

(3) Price support for oats, rye, barley, and grain sorghums at fair and reasonable levels in relation to corn, but not less than 60 percent of parity (sec. 202); and

(4) Repeal of the provision for a different corn support level in the noncommercial area (sec. 203).

## TITLE III—RICE

With respect to rice, title III provides for—

(1) Permanent extension of the present minimum national and State acreage allotments (sec. 301);

(2) Price support for 1959 and 1960 at between 75 and 90 percent of parity without regard to the supply percentage (sec. 302 (a)); and

(3) Price support beginning in 1961 at 90 percent of the 3-year average price, but not less than \$4 per hundredweight (sec. 302 (b)).

## SECTION BY SECTION ANALYSIS

*Section 1. Short title.*—This section provides that the Act may be cited as the "Agricultural Act of 1958".

## TITLE I—COTTON

*Section 101. Upland cotton program for 1959 and 1960.*—Section 101 gives each farm operator, with respect to each of the 1959 and 1960 upland cotton crops, a choice between (A) the acreage allotment and support price determined under existing law, and (B) 140 percent of such acreage allotment, coupled with price support reduced by 15 percent of parity. Thus, if the support price as determined by the Secretary under existing law were 90 percent of parity, the producer electing choice (A) would receive that support, and the producer



electing choice (B) would receive 75 percent of parity. If the support level under choice (A) were 75 percent of parity, the support level under choice (B) would be 60 percent of parity. In determining the minimum choice (A) support price on the basis of the supply percentage, as provided in section 101 (b) of the Agricultural Act of 1949, the Secretary would take the estimated production from the additional acreage allotted under choice (B) into account in estimating the supply percentage. The support level under choice (A) would be required to be announced not later than January 31 on the basis of the Secretary's estimate at that time of the August 1 supply percentage; and, unlike advance announcements under existing law, would not be subject to subsequent adjustment on the basis of the data available on August 1. The farm operator would therefore know at the time of making his election exactly what level of support he would receive under either choice (A) or choice (B). All producers on the farm would be bound by the choice made by the farm operator, and the farm operator would have to make the same choice for all farms operated by him. No farm participating in the 1959 cotton acreage reserve program (if there should be such a program) could receive an increased allotment under this section for 1959; nor could any farm receiving an increased allotment under this section surrender any part of its allotment for reapportionment to another farm. The additional acreage allotted under this section would not be taken into account in establishing future State, county, and farm acreage allotments.

Price support would be made available to producers electing choice (A) only through purchase, and cotton so acquired (as well as other cotton owned by the Commodity Credit Corporation) would be immediately available for sale during the period August 1, 1959, to July 31, 1961, at not less than 110 percent of the choice (B) support price. The market price would thus tend to approach the choice (B) price, and producers electing choice (B) would not receive the benefit of the choice (A) support level in the market place, as they might if the minimum resale price were based on the higher support level.

*Section 102. Upland and extra long staple cotton.*—Price support after 1960. Section 102 provides price support for each crop, beginning with the 1961 crop, of upland or extra long staple cotton at 90 percent of the average market price for the commodity during the 3 calendar years ending last before the marketing year applicable to the crop, but not less than 30 cents per pound for Middling 1-inch cotton in the case of upland cotton. The average market price for upland cotton would be that for Middling 1-inch cotton on the designated spot markets, and the support price determined on the basis of such average would be applied to Middling 1-inch cotton, with appropriate premiums and discounts for differences in qualities and other factors. The average market price for extra long staple cotton would be that for grade No. 3,  $1\frac{1}{16}$ -inch American-Egyptian cotton in the quoted spot markets, and the support price determined on the basis of such average would be applied to grade No. 3,  $1\frac{1}{16}$  inches with appropriate premiums and discounts.

The following tables contain comparisons of support prices and market prices for past years and show what the support prices might have been for upland cotton and extra long staple cotton, respectively, for any one of the years 1953 to 1958 if section 102 had been made applicable in that year.



*Cotton (upland)—Support prices, 1953–58 crops, compared with support prices as they would have been determined under provisions in S. 4071 applicable to 1961 and subsequent crops*

| Marketing year beginning Aug. 1 | Effective CCC support price         |                                       |                   |                                     | Average price per pound received for Middling 1 inch in 14 designated spot markets |                                                                    |                                                      |
|---------------------------------|-------------------------------------|---------------------------------------|-------------------|-------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------|
|                                 | Middling ⅝ inch at average location | Middling 1 inch at designated markets | Percent of parity | Parity price on which support based | Preceding calendar year                                                            | Average for 3 calendar years preceding beginning of marketing year | 90 percent of average for 3 preceding calendar years |
|                                 | <i>Cents</i>                        | <i>Cents</i>                          |                   | <i>Cents</i>                        | <i>Cents</i>                                                                       | <i>Cents</i>                                                       | <i>Cents</i>                                         |
| 1953.....                       | 30.80                               | 33.79                                 | 90                | 34.22                               | 39.38                                                                              | 39.47                                                              | 35.52                                                |
| 1954.....                       | 31.58                               | 34.26                                 | 90                | 35.09                               | 33.80                                                                              | 38.39                                                              | 34.55                                                |
| 1955.....                       | 31.70                               | 34.80                                 | 90                | 35.22                               | 34.97                                                                              | 36.05                                                              | 32.45                                                |
| 1956.....                       | 29.34                               | 33.02                                 | 82½               | 35.56                               | 34.77                                                                              | 34.51                                                              | 31.06                                                |
| 1957.....                       | 28.81                               | 32.56                                 | 78                | 36.93                               | 34.83                                                                              | 34.86                                                              | 31.37                                                |
| 1958.....                       | 1 30.75                             | (2)                                   | 1 81              | 1 37.96                             | 33.86                                                                              | 34.49                                                              | 31.04                                                |

<sup>1</sup> Minimum level announced Feb. 7, 1958.

<sup>2</sup> Not announced.

*Extra long staple cotton—Support prices, 1953–58 crops, compared with support prices as they would have been determined under provisions in S. 4071 applicable to 1961 and subsequent crops*

| Marketing year beginning Aug. 1 | Effective CCC support price |                   |                                     | Average quoted market price per pound for grade No. 3, 7/16-inch, preceding calendar year |
|---------------------------------|-----------------------------|-------------------|-------------------------------------|-------------------------------------------------------------------------------------------|
|                                 | Amount per pound            | Percent of parity | Parity price on which support based |                                                                                           |
|                                 | <i>Cents</i>                |                   | <i>Cents</i>                        | <i>Cents</i>                                                                              |
| 1953.....                       | 73.92                       | (1)               | (1)                                 | (2)                                                                                       |
| 1954.....                       | 65.25                       | 90                | 72.5                                | (2)                                                                                       |
| 1955.....                       | 55.20                       | 75                | 73.6                                | (2)                                                                                       |
| 1956.....                       | 56.62                       | 75                | 75.5                                | (2)                                                                                       |
| 1957.....                       | 59.70                       | 75                | 79.6                                | (2)                                                                                       |
| 1958.....                       | (3)                         | (3)               | (3)                                 | 63.56                                                                                     |

<sup>1</sup> 2.4 times upland rate.

<sup>2</sup> Not available. Series started in May 1956. Data would be available at proposed effective date in 1961.

<sup>3</sup> Not announced.

*Section 103. Minimum national and State cotton quotas and allotments.*—Section 103 (1) provides for a minimum national upland cotton marketing quota for 1961 and subsequent years adequate to assure a stable supply of the different qualities needed, but not less than the “larger” of (i) 1 million bales less than the estimated domestic consumption and exports for the marketing year for which the quota is proclaimed, or (ii) 10 million bales. This provision would replace the provision now in the law for a minimum quota equal to “whichever is smaller” of the quantities specified in (i) or (ii) (except that the figures for domestic consumption and exports would be for a marketing year 2 years prior to the one specified in (i)). Domestic consumption and exports for the current marketing year were estimated at the time the 1958 marketing quota was proclaimed at 8,500,000 bales and 5 million bales respectively. By providing for a minimum quota adequate to assure a stable supply of needed qualities, the bill requires increasing the quota where the present more rigid formula would keep the quota down even though many needed qualities were in short supply. By preventing a reduction of the quota below domestic con-

sumption and exports by more than 1 million bales, the bill prevents the application of excessively stringent acreage limitations in any year.

Section 103 (2) provides first, for a minimum national marketing quota for upland cotton sufficient to provide a national acreage allotment of 16 million acres; and second, for the apportionment of the national acreage allotment among the States in the same proportion that they shared in the national acreage allotment in 1958. These provisions would be effective with the 1959 crop and would continue in effect after section 103 (1) of the bill became effective, so that for 1961 and subsequent years the national marketing quota would be the largest of—

(1) The number of bales of cotton needed, together with the estimated carryover and imports, to make available a normal supply of cotton (the basic formula);

(2) A number of bales equal to the domestic consumption and exports for the year for which the quota is proclaimed, adjusted to assure the maintenance of adequate but not excessive stocks to provide a stable supply of different qualities needed in the United States and elsewhere.

(3) The number of bales of cotton equal to the larger of 10 million bales or 1 million bales less than the estimated domestic consumption plus exports for the marketing year for which the quota is proclaimed; or

(4) The number of bales of cotton required to provide a national acreage allotment of 16 million acres.

This provision for a minimum national acreage allotment of 16 million acres replaces a provision for a minimum national acreage allotment of 17,391,304 acres, which was applicable only to the 1957 and 1958 crops. The provision of this section preserving for each State the same proportionate share of the national acreage allotment that it had in 1958 is subject to an exception to provide for minimum State acreage allotments of "the smaller of (A) 4,000 acres or (B) the highest acreage planted to cotton in any one of the 3 calendar years immediately preceding the year for which the allotment is made" as provided by section 344 (k) of the Agricultural Adjustment Act of 1938. The proportion in which each State shared in the national acreage allotment for 1958 and would share in a national acreage allotment of 16 million acres is shown in the following table:

*Proportion in which States shared in the 1958 upland cotton acreage allotment and would share under sec. 301 (2) of the bill in a national allotment of 16,000,000 acres*

|                  | Apportionment from 1958 national allotment | State share of 16,000,000 national allotment |                     | Apportionment from 1958 national allotment | State share of 16,000,000 national allotment |
|------------------|--------------------------------------------|----------------------------------------------|---------------------|--------------------------------------------|----------------------------------------------|
| Alabama.....     | 1,022,317                                  | 940,506                                      | Missouri.....       | 376,715                                    | 346,568                                      |
| Arizona.....     | 367,366                                    | 337,967                                      | Nevada.....         | 2,343                                      | 2,343                                        |
| Arkansas.....    | 1,406,198                                  | 1,293,667                                    | New Mexico.....     | 184,045                                    | 169,317                                      |
| California.....  | 812,019                                    | 747,037                                      | North Carolina..... | 479,767                                    | 441,374                                      |
| Florida.....     | 37,405                                     | 34,412                                       | Oklahoma.....       | 798,700                                    | 734,784                                      |
| Georgia.....     | 895,483                                    | 823,822                                      | South Carolina..... | 731,454                                    | 672,919                                      |
| Illinois.....    | 3,110                                      | 3,110                                        | Tennessee.....      | 575,762                                    | 529,686                                      |
| Kansas.....      | 23                                         | 23                                           | Texas.....          | 7,421,320                                  | 6,827,427                                    |
| Kentucky.....    | 7,379                                      | 6,783                                        | Virginia.....       | 17,384                                     | 15,993                                       |
| Louisiana.....   | 605,303                                    | 556,863                                      |                     |                                            |                                              |
| Maryland.....    | 15                                         | 15                                           |                     |                                            |                                              |
| Mississippi..... | 1,647,196                                  | 1,515,379                                    | Total.....          | 17,391,304                                 | 16,000,000                                   |

Source: Cotton Division, CSS, USDA.



Section 103 (3) amends section 347 (b) of the Agricultural Adjustment Act of 1938, effective with the 1961 crop, to provide a new formula for computing the national marketing quota for extra long staple cotton. The new formula tends to minimize the effect of carry-over in the computation of the national marketing quota.

Section 103 (4) provides for conversion of the national marketing quota for cotton into a national acreage allotment on the basis of a 3-year average yield, adjusted for abnormal conditions and trends, rather than on the basis of a 5-year unadjusted average yield. Yields have been increasing so that use of a more recent average yield should result in a national acreage allotment more likely to produce about the quantity fixed in the quota. On the basis of the Department's estimate of yields this provision would result in raising the average yield to be used in converting the 1959 quota from 351 to 377 pounds per acre.

*Section 104. Minimum upland cotton farm acreage allotments.*—This section reenacts with some modification the minimum cotton farm acreage allotment provisions of section 303 of the Agricultural Act of 1956, which expired with the 1958 crop. With the expiration of section 303, the minimum farm allotment provisions would revert, but for this section, to the provisions in effect prior to the enactment of section 303, and would provide for minimum farm acreage allotments (mandatory only in those few counties making allotments on the basis of tillable acreage) of the smaller of 5 acres or the highest acreage planted in any of the 3 preceding years. Section 303 of the 1956 act was designed to meet a serious social problem where many farmers were receiving allotments so small that they were being forced off the farm. Section 104 of the bill is designed to prevent a similar problem. It differs from section 303 of the Agricultural Act of 1956 in the following respects: First, the minimum allotment would be 10 acres, or the 1958 allotment, whichever is smaller (instead of being the smaller of 4 acres or the highest acreage planted in any of the 3 preceding years); second, it provides for a national reserve of 310,000 acres (instead of 100,000 acres), 310,000 acres being the Department's best estimate of the additional acreage needed to provide the prescribed minimum, assuming a national allotment of 16 million acres; third, technical changes have been made to permit the Secretary to "estimate" (rather than "determine") the States' and counties' needs for additional acreage to establish the prescribed minimum allotments after 1959, thereby saving unnecessary administrative costs.

*Section 105. Further provision for minimum upland cotton farm acreage allotments.*—Under section 303 of the Agricultural Act of 1956, there have been a few counties in which the entire county acreage allotment (excluding the county acreage reserve), together with the acreage received from the national and State reserves to meet the county's needs for additional acreage for such purpose, has been insufficient to establish the prescribed minimum farm acreage allotments. Section 105 would provide the acreage needed in addition to the county, State, and national acreage allotments to establish the minimum farm acreage allotments prescribed by section 104 of the bill. The Department has estimated that this would require only a very small additional acreage, possibly about 5,000 acres in all.

Section 105 also provides that the additional acreage allotted to farms, counties, and States, respectively, on account of the minimum



farm allotment provisions of the law, as it would be amended by the bill, would not be taken into account in establishing their future acreage allotments. This provision would supersede, to the extent of any conflict, any provisions of existing law, such as section 344 (g) (3), which provides that "Notwithstanding the foregoing provisions of this section" certain acreage shall be added to the farm cotton acreage history.

*Section 106. Use of previous year's allotments in making farm acreage allotments.*—This section permits the Secretary, if such action will facilitate administration, to apportion county allotments to farms on the basis of the previous year's farm allotments, rather than tillable acreage or average planted acreage. The Secretary would be required to make any adjustments needed either because of a change in the available cropland, or to meet any requirements that acreage shall or shall not be counted as history. This section would not affect the minimum farm acreage allotment provisions.

*Section 107. Retention of surrendered acreage in the county.*—Section 344 (m) (2) of the Agricultural Adjustment Act of 1938, which permits the surrender and reapportionment of acreage allotments provides:

If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee \* \* \*.

Transfer of cotton acreage from one county to another hurts the economy of the county from which the transfer is made. Section 107 therefore prohibits surrender of such acreage to the State committee so long as any cotton farmer in the county desires additional cotton acreage.

*Section 108. Standard grade for upland cotton.*—Section 108 repeals the provisions making Middling seven-eighths-inch cotton the standard grade for purposes of parity and price support, effective with the 1961 crop. This is necessary since, beginning with the 1961 crop, the support price will be based on the average market price of Middling 1-inch cotton. Section 108 also amends section 403 of the Agricultural Act of 1949 to make it clear that the average support price for the crop is not expected to equal the level of support after 1960 when the support level would be based on the average price of Middling 1 inch.

*Section 109. Commodity Credit Corporation sales restrictions on cotton.*—This section, effective August 1, 1961, would increase the minimum price for which the Commodity Credit Corporation is permitted to sell cotton for unrestricted use from 110 percent of the current support price, plus reasonable carrying charges, to 115 percent of the current support price, plus reasonable carrying charges; and permit the sale for unrestricted use, without regard to such limitation, of a quantity equal to that by which the national marketing quota is less than the estimated domestic consumption and exports.

*Section 110. Cotton export program.*—Section 110 makes it clear that nothing in the bill affects the cotton export program provided for by section 203 of the Agricultural Act of 1956.

## TITLE II—CORN AND FEED GRAINS

*Section 201. Discontinuance of corn acreage allotments.*—Section 201 provides that corn acreage allotments and a commercial corn area will not be established for the 1959 and subsequent crops. There are no marketing penalties for corn, so that corn acreage allotments are enforced through denial of price support and denial of soil-bank payments. Furthermore, there are no minimum allotments for corn, so that at present the corn producer is faced with the choice of receiving price support for an inadequate acreage of corn or receiving no price support for corn produced on a larger acreage. Coupled with the fact that corn is largely fed on the farm where produced, this situation has resulted in widespread disregard of corn acreage allotments. In 1957 only 38.6 percent of the farms which received corn acreage allotments complied with their allotments. In 1957, with an allotment of 37,288,889 acres in a commercial area consisting of 894 counties, 52,733,620 acres were planted in the commercial area and 5,233,478 acres were put in the corn acreage reserve. In 1958 the commercial area has been expanded to include an additional 38 counties, making 932 counties in all. The acreage allotment for this expanded commercial area for 1958 is 38,818,381 acres. The acreage planted in these 932 counties in 1957 was 54,237,000 acres, which, with the acreage placed in the corn acreage reserve in 1957 makes a total of 59,470,478 acres planted or placed in the acreage reserve. With this potential corn acreage of 59,470,478 acres, producers generally cannot afford to comply with an acreage allotment of 38,818,381 acres in order to obtain price support on the reduced production.

Corn and feed grains presented one of the most troublesome problems in the consideration of the Agricultural Act of 1956, and these commodities have been the subject of serious legislative concern and consideration in 1957 and again this year when the committee reported out S. 3441, which is now on the calendar. It appears that acreage allotments will not work for corn and that it will be fairer to all corn producers to discontinue them.

*Section 202. Price support for corn and feed grains.*—Section 202 provides price support for corn at 90 percent of the average price received by farmers for the 3 calendar years ending last before the marketing year for the crop, but not less than \$1.10 per bushel. In determining the average price, adjustment would be made to offset the effect of any abnormal quantities of low-grade corn.

Section 202 also makes price support mandatory for oats, rye, barley, and grain sorghums at a fair and reasonable level in relation to corn, but not less than 60 percent of parity. The 1957 crops of these commodities were supported at 70 percent of parity.

*Section 203. Repeal of provision for corn price support in the non-commercial area.*—Section 203 repeals the provision for a lower rate of price support on corn outside the commercial area. This supplements section 201, which provides for discontinuance of the commercial area.



## TITLE III—RICE

*Section 301. Extension of provision for minimum national and State rice acreage allotments.*—Section 301 extends on a permanent basis the National and State minimum rice acreage allotments which were provided by the Agricultural Act of 1956, and which expired with the 1958 crop. The national acreage allotment would be not less than 1,652,596 acres and would be apportioned among the States in the proportion that they shared in the 1956 acreage allotment, as follows:

*State rice acreage allotments for 1956*

|                     |          |                            |             |
|---------------------|----------|----------------------------|-------------|
| Arizona-----        | 229      | South Carolina-----        | 2, 847      |
| Arkansas-----       | 399, 084 | Tennessee-----             | 517         |
| California-----     | 299, 820 | Texas-----                 | 422, 390    |
| Florida-----        | 957      |                            |             |
| Illinois-----       | 20       | Total apportioned to       |             |
| Louisiana-----      | 475, 094 | States-----                | 1, 652, 399 |
| Mississippi-----    | 46, 683  | Unapportioned National re- |             |
| Missouri-----       | 4, 580   | serve-----                 | 197         |
| North Carolina----- | 29       |                            |             |
| Oklahoma-----       | 149      | United States total--      | 1, 652, 596 |

Source: USDA 3534-56-5.

*Section 302. Rice price support.*—Section 302 (a) repeals the so-called escalator clause under which the minimum support level for rice would be determined on the basis of the supply percentage, and provides that the 1959 and 1960 crops of rice will be supported at such level between 75 and 90 percent of parity as the Secretary may determine after considering the factors set out in section 401 (b) of the Agricultural Act of 1949.

Section 302 (b) provides that the 1961 and subsequent crops of rice shall be supported at 90 percent of the average price for the 3 calendar years preceding the marketing year applicable to the crop, but not less than \$4 per hundredweight. The following table contains a comparison of support prices and market prices for past years and shows what the support price might have been for any one of the years 1953 to 1958 if section 302 (b) had been made applicable in that year.

*Rice—Support prices, 1953–58 crops, compared with support prices as they would have been determined under the provisions of sec. 302 applicable to 1961 and subsequent crops*

| Marketing<br>year beginning<br>Aug. 1 | Effective CCC support price         |                      |                                                 | Average price per hundredweight<br>received by farmers |                                                                                          |                                                            |                      |
|---------------------------------------|-------------------------------------|----------------------|-------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------|----------------------|
|                                       | Amount<br>per<br>hundred-<br>weight | Percent<br>of parity | Parity<br>price on<br>which<br>support<br>based | Preceding<br>calendar<br>year                          | Average<br>for 3 calen-<br>dar years<br>preceding<br>beginning<br>of market-<br>ing year | 90 percent of average for<br>3 preceding calendar<br>years |                      |
|                                       |                                     |                      |                                                 |                                                        |                                                                                          | Amount                                                     | Percent<br>of parity |
| 1953-----                             | \$4.84                              | 90.0                 | \$5.38                                          | \$5.87                                                 | \$5.26                                                                                   | \$4.73                                                     | 87.9                 |
| 1954-----                             | 4.92                                | 90.0                 | 5.47                                            | 5.19                                                   | 5.29                                                                                     | 4.76                                                       | 87.0                 |
| 1955-----                             | 4.66                                | 85.0                 | 5.48                                            | 4.57                                                   | 5.21                                                                                     | 4.69                                                       | 85.6                 |
| 1956-----                             | 4.57                                | 82.5                 | 5.54                                            | 4.81                                                   | 4.86                                                                                     | 4.37                                                       | 78.9                 |
| 1957-----                             | 4.72                                | 82.0                 | 5.75                                            | 4.86                                                   | 4.75                                                                                     | 4.27                                                       | 74.3                 |
| 1958-----                             | <sup>1</sup> 4.33                   | 75.0                 | 5.77                                            | 5.06                                                   | 4.91                                                                                     | 4.42                                                       | 76.6                 |

<sup>1</sup> Minimum support rate which may be increased if a combination of the rice parity price as of Aug. 1, 1958, and the supply percentage as of that date requires a higher level of support.



## CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

## AGRICULTURAL ACT OF 1949

## TITLE I—BASIC AGRICULTURAL COMMODITIES

SEC. 101. The Secretary of Agriculture (hereinafter called the "Secretary") is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 per centum of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:

(a) <sup>1</sup> For tobacco (except as otherwise provided herein), corn, [wheat, and rice] and *wheat*, if the supply percentage as of the beginning of the marketing year is:

*The level of support shall be not less than the following percentage of the parity price:*

|                                          |    |
|------------------------------------------|----|
| Not more than 102.....                   | 90 |
| More than 102 but not more than 104..... | 89 |
| More than 104 but not more than 106..... | 88 |
| More than 106 but not more than 108..... | 87 |
| More than 108 but not more than 110..... | 86 |
| More than 110 but not more than 112..... | 85 |
| More than 112 but not more than 114..... | 84 |
| More than 114 but not more than 116..... | 83 |
| More than 116 but not more than 118..... | 82 |
| More than 118 but not more than 120..... | 81 |
| More than 120 but not more than 122..... | 80 |
| More than 122 but not more than 124..... | 79 |
| More than 124 but not more than 126..... | 78 |
| More than 126 but not more than 128..... | 77 |
| More than 128 but not more than 130..... | 76 |
| More than 130.....                       | 75 |

*For rice of the 1959 and 1960 crops, the level of support shall be not less than 75 per centum of the parity price.*

\* \* \* \* \*

(d) Notwithstanding the foregoing provisions of this section—

\* \* \* \* \*

[(4)<sup>2</sup> the level of price support for corn to cooperators outside the commercial corn-producing area shall be 75 per centum of the level of price support to cooperators in the commercial corn-producing area;]

\* \* \* \* \*

(8) *For rice of the 1961 and subsequent crops the level of support shall be 90 per centum of the average price received by farmers during the three calendar years immediately preceding the year in which the crop is harvested, but not less than \$4 per hundredweight.*

<sup>1</sup> Changes in this subsection are effective beginning with the 1959 crop.

<sup>2</sup> Repeal of the paragraph is effective beginning with the 1959 crop.

*SEC. 102. Notwithstanding any other provisions of law—*

(a) for each of the 1959 and 1960 crops of upland cotton the Secretary of Agriculture is authorized and directed to offer the operator of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, a choice of (A) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, and price support determined pursuant to section 101 of this Act (the amount of cotton estimated to be produced on the additional acres allotted to producers selecting choice (B) for such year being taken into account in computing such support), or (B) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, increased by 40 per centum (such increased acreage allotment to be the acreage allotment for the farm for all purposes) and price support at a level which is 15 per centum of parity below the level of support established for producers who elect choice (A). Any person operating more than one farm, in order to be eligible for choice (B), must elect choice (B) for all farms for which he is operator. Not later than January 31 the Secretary shall determine and announce on the basis of his estimate of the supply percentage as of August 1, the price support level for producers who elect choice (A) and such price support level shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative levels of price support and the alternative acreage allotments available for his farm. The operator of each farm shall, within the time prescribed by the Secretary, notify the county committee in writing whether he desires the increased acreage allotment and the level of price support prescribed in choice (B) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have chosen the acreage allotment and the price support level prescribed in choice (A). The choice elected by the operator shall apply to all the producers on the farm. The additional acreage required to be allotted to farms under this section shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm acreage allotments. Notwithstanding any other provision of law, no farm participating in any cotton acreage reserve program established for 1959 under the Soil Bank Act shall receive an increased acreage allotment under the provisions of this section for 1959. Notwithstanding the provisions of section 344 (m) (2) any farm cotton acreage allotment increased as the result of the selection of choice (B) may not be released and reapportioned to any other farm. Price support shall be made available under this paragraph only to cooperators and only if producers have not disapproved marketing quotas for the crop.

(b) for each of the 1959 and 1960 crops of upland cotton, price support shall be made available to producers who elect choice (A) through a purchase program. Price support shall be made avail-



able to producers who elect choice (B) through loans, purchases, or other operations.

(c) the Commodity Credit Corporation is directed, during the period beginning August 1, 1959, and ending July 31, 1961, to offer any upland cotton owned by it for sale for unrestricted use at not less than 10 per centum above the current level of price support prescribed in choice (B).

SEC. 103. Notwithstanding any other provision of law, beginning with the 1961 crop, the level of price support to producers for each crop of upland and extra long staple cotton, respectively, shall be 90 per centum of the average market price of middling one inch cotton in the designated spot markets in the case of upland cotton, and of grade numbered 3, one and seven sixteenths inch American-Egyptian cotton in the quoted spot markets in the case of extra long staple cotton, during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins, except that the level of price support for upland cotton shall not be less than 30 cents per pound. Price support shall be made available under this section only to cooperators and only if producers have not disapproved marketing quotas. Price support in the case of noncooperators and in case marketing quotas are disapproved shall be as provided in section 101 (d) (3) and (5). Middling one inch and grade numbered 3, one and seven sixteenths inches shall be the standard quality of upland and extra long staple cotton, respectively, for purposes of price support under this section.

SEC. 104. (a) Notwithstanding any other provision of law, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 per centum of the average price received by farmers during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins adjusted to offset the effect on such price of any abnormal quantities of low grade corn marketed during any of such years: Provided, That the level of price support for any crop of corn shall not be less than \$1.10 per bushel.

(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level not less than 60 per centum of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, the normal price relationship between such commodity and corn, the location and storability of the commodity and other relevant factors:

\* \* \* \* \*

SEC. 403.<sup>3</sup> Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for such commodity, except in the case of cotton, will, on the basis of the anticipated incidence of such factors, be equal to the level of support determined as provided in this Act. [Middling seven-eighths-inch cotton shall be the standard grade for purposes of parity and price support.]

\* \* \* \* \*

<sup>3</sup> Changes in this section are effective beginning with the 1961 crop.



SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges: *Provided, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended.* The foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses. Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U. S. C. 1855). Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State. Nor shall the foregoing restrictions apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the Corporation's operations because of the small quantities involved, or because of age, location or questionable continued storability, but such sales shall be offset

by such purchases of commodities as the Corporation determines are necessary to prevent such sales from substantially impairing any price-support program, but in no event shall the purchase price exceed the then current support price for such commodities. For the purposes of this section, sales for export shall not only include sales made on condition that the identical commodities sold be exported, but shall also include sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw or processed form.

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## PUBLIC LAW 272, 81ST CONGRESS

\* \* \* \* \*

SEC. 3. [(a) Notwithstanding any other provision of law, Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support].<sup>4</sup>

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(NOTE.—Sec. 110 of the bill provides that nothing in the bill shall be construed to affect or modify the provisions of sec. 203 of the Agricultural Act of 1956, as follows:)

## AGRICULTURAL ACT OF 1956

\* \* \* \* \*

SEC. 203. In furtherance of the current policy of the Commodity Credit Corporation of offering surplus agricultural commodities for sale for export at competitive world prices, the Commodity Credit Corporation is directed to use its existing powers and authorities immediately upon the enactment of this Act to encourage the export of cotton by offering to make cotton available at prices not in excess of the level of prices at which cottons of comparable qualities are being offered in substantial quantity by other exporting countries and, in any event, for the cotton marketing year beginning August 1, 1956, at prices not in excess of the minimum prices (plus carrying charges, beginning October 1, 1956, as established pursuant to Section 407 of the Agricultural Act of 1949) at which cottons of comparable qualities were sold under the export program announced by the United States Department of Agriculture on August 12, 1955. The Commodity Credit Corporation may accept bids in excess of the maximum prices specified herein but shall not reject bids at such maximum prices unless a higher bid is received for the same cotton. Cottons of qualities not comparable to those of cottons sold under the program announced on August 12, 1955, shall be offered at prices not in excess of the maximum prices prescribed hereunder for cottons of qualities comparable to those of cottons sold under such program, with appropriate adjustment for differences in quality. Such quantities of cotton shall be sold as will reestablish and maintain the fair historical share of the world market for United States cotton, said volume to be determined by the Secretary of Agriculture.

<sup>4</sup> Change is effective beginning with the 1961 crop.



## AGRICULTURAL ADJUSTMENT ACT OF 1938

\* \* \* \* \*

*SEC. 330. Notwithstanding any other provision of law, acreage allotments and a commercial corn-producing area shall not be established for the 1959 and subsequent crops of corn.*

\* \* \* \* \*

*SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. The national marketing quota for any year shall be not less than ten million bales or one million bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller: *Provided*, That the national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of twenty-one million acres. *Provided*, That beginning with the 1961 crop, the national marketing quota shall be not less than a number of bales equal to the estimated domestic consumption and estimated exports (less estimated imports) for the marketing year for which the quota is proclaimed, except that the Secretary shall make such adjustment in the amount of such quota as he determines necessary after taking into consideration the estimated stocks of cotton (that is, carryover and production) in the United States and foreign countries which would be available for the marketing year for which the quota is being proclaimed if no adjustment of such quota is made hereunder and the qualities of such stocks of cotton, to assure the maintenance of adequate but not excessive stocks in the United States to provide a continuous and stable supply of the different qualities of cotton needed in the United States and in foreign cotton consuming countries, and for purposes of national security but the Secretary, in making such adjustments, may not reduce the national marketing quota for any year below (i) one million bales less than the estimated domestic consumption and estimated exports for the marketing year for which such quota is being proclaimed, or (ii) ten million bales, whichever is larger. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made. Notwithstanding the foregoing provisions of this section, the national marketing quota for cotton for 1957 and 1958 shall be not less than the number of bales required to provide a national acreage allotment for 1957 and 1958 equal to the national acreage allotment for 1956: *Provided*, That if the acreage allotment for any State for 1957 or 1958 is less than its allotment for the preceding year by more than 1 per centum, such State allotment shall be increased so that the reduction shall not exceed 1 per centum per annum, and the acreage required for such increase shall be in addition to the national acreage allotment for such year. Addi-*



tional acreage apportioned to a State for 1957 or 1958 under the foregoing proviso shall not be taken into account in establishing future State allotments. *Notwithstanding any other provision of this Act (except section 344 (k)), the national marketing quota for upland cotton for 1959 and subsequent years shall be not less than the number of bales required to provide a national acreage allotment for each such year of sixteen million acres, and the national acreage allotment for each such year shall be apportioned among the States in the same proportion that they shared in the national acreage allotment in 1958.*

\* \* \* \* \*

SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the [five] *three* years immediately preceding the calendar year in which the national marketing quota is proclaimed, *adjusted for abnormal conditions and trends*, required to make available from such crop an amount of cotton equal to the national marketing quota.

(b) <sup>5</sup> The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period: *Provided, That there is hereby established a national acreage reserve consisting of three hundred and ten thousand acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be one thousand acres). For the 1960 and succeeding crops of cotton, the needs of States (other than Nevada) for such additional acreage for such purpose may be estimated by the Secretary, after taking into consideration such needs as determined or estimated for the preceding crop of cotton and the size of the national acreage allotment for such crop. The additional acreage so apportioned to the State shall be apportioned to the counties on the basis of the needs of the counties for such additional acreage for such purpose, and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing provision shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing provisions and under the last proviso in subsection (e) shall be determined or estimated as though allotments were first computed without regard to subsection (f) (1).*<sup>6</sup>

\* \* \* \* \*

<sup>5</sup> Changes in this subsection are effective beginning with the 1959 crop.

<sup>6</sup> For comparison with provision applicable in 1957 and 1958, see comparison of sec. 104 of the bill with sec. 303 of the Agricultural Act of 1956.

(e) <sup>7</sup> The State acreage allotment for cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsections (b), (c), and (d) of this section: *Provided*, That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted acreage was in excess of one million acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardship: *Provided further*, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined or estimated by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved under this subsection shall not be less than the smaller of (1) the remaining acreage so determined or estimated to be required for establishing minimum farm allotments or (2) 3 per centum of the State acreage allotment; and the acreage which is required to be reserved under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreages).<sup>8</sup>

(f) <sup>9</sup> The county acreage allotment, less not to exceed the percentage provided for in paragraph (3) of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

(1) **[There]** *Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) [five] ten acres; or (B) the [highest number of acres planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton in any year of such three-year period] acreage allotment established for the farm for the 1958 crop.*<sup>10</sup>

(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreage the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: *Provided, however*, That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to

<sup>7</sup> Changes in this subsection are effective beginning with the 1959 crop.

<sup>8</sup> For comparison with provision applicable in 1957 and 1958, see comparison of sec. 104 of the bill with sec. 303 of the Agricultural Act of 1956.

<sup>9</sup> Changes in this subsection are effective beginning with the 1959 crop.

<sup>10</sup> For comparison with provision applicable in 1957 and 1958, see comparison of sec. 104 of the bill with sec. 303 of the Agricultural Act of 1956.



such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, 79th Congress) in any such year.

(3) The county committee may reserve not in excess of 15 per centum of the county allotment \* \* \* which, in addition to the acreage made available under the proviso in subsection (e), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm acreage allotments to correct inequities and to prevent hardships: *Provided*, That not less than 20 per centum of the acreage reserved under this subsection shall, to the extent required, be allotted, upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f) (1) (B)), if any, to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection:

\* \* \* \* \*

(6) <sup>11</sup> Notwithstanding the [foregoing] provisions of *paragraph (2)* of this subsection [except paragraph (3)], if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the *remainder of the county acreage allotment* [less the acreage reserved under paragraph (3) of this subsection], (*after making allotments as provided in paragraph (1) of this subsection*) shall be [apportioned] allotted to farms [on which cotton has been planted in any one of the three years immediately preceding the year for which such allotment is determined, on the basis of the acreage planted to cotton on the farm during such three-year period, adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period: *Provided*, That the county committee may in its discretion (A) apportion such county allotment by first establishing minimum allotments in accordance with paragraph (1) of this subsection and by allotting the remaining acreage to farms other than those receiving an allotment under paragraph (1) (B) in accordance with the foregoing provisions of this paragraph and (B)] *other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the*

<sup>11</sup> For comparison with provision applicable in 1957 and 1958, see, comparison of sec. 104 of the bill with sec. 303 of the Agricultural Act of 1956.



three years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period; *Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 per centum of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 per centum limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein. If the county acreage allotment is apportioned among the farms of the county in accordance with the provisions of this paragraph, the acreage reserved under paragraph (3) of this subsection may be used to make adjustments so as to establish allotments which are fair and reasonable to farms receiving allotments under this paragraph in return to the factors set forth in paragraph (3).

(7) (A) *In the event that any farm acreage allotment is less than that prescribed by paragraph (1), such acreage allotment shall be increased to the acreage prescribed by paragraph (1). The additional acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota.*

(B) *Notwithstanding any other provision of law—*

(i) *the acreage by which any farm acreage allotment for 1959 or any subsequent crop computed without regard to paragraph (1) is increased by reason of the application of paragraph (1) shall not be taken into account in establishing future acreage allotments for such farm.*

(ii) *the acreage by which any county acreage allotment for 1959 or any subsequent crop is increased from the national or State reserve on the basis of its needs for additional acreage for establishing minimum farm allotments shall not be taken into account in establishing future county acreage allotments, and*

(iii) *the additional acreage allotted pursuant to subparagraph (A) of this paragraph (7) shall not be taken into account in establishing future State, county, or farm acreage allotments.*

(8) *Notwithstanding the foregoing provisions of paragraphs (2) and (6) of this subsection, the Secretary may, if he determines that such action will facilitate the effective administration of the provisions of the Act, provide for the county acreage allotment for the 1959 and succeeding crops of cotton, less the acreage reserved under paragraph (3) of this subsection, to be apportioned to farms on which cotton has been planted in any one of the three years immediately preceding the year for which such allotment is determined, on the basis of the farm acreage allotment for the year immediately preceding the year for which such apportionment is made, adjusted as may be necessary (i) for any change in the acreage of cropland available for the production of cotton, or (ii) to meet the requirements of any provisions (other than those contained in paragraphs (2) and (6)) with respect to the counting of acreage for history purposes.*

\* \* \* \* \*

(m) Notwithstanding any other provision of law—

\* \* \* \* \*

(2) Any part of any farm cotton acreage allotment on which cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of cotton, land, labor, equipment available for the production of cotton, crop rotation practices, and soil and other physical facilities affecting the production of cotton. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State acreage reserve under subsection (e) of this section; *but no such acreage shall be surrendered to the State committee so long as any farmer receiving a cotton acreage allotment in such county desires additional cotton acreage.* Any allotment transferred under this provision shall be regarded for the purposes of subsection (f) of this section as having been planted on the farm from which transferred rather than on the farm to which transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having cotton planted thereon during the three-year base period; *Provided*, That notwithstanding any other provisions of law, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein. Acreage surrendered, reapportioned under this paragraph, and planted shall be credited to the State and county in determining future acreage allotments. The provisions of this paragraph shall apply also to extra long staple cotton covered by section 347 of this Act.

\* \* \* \* \*

SEC. 347. (a) Except as otherwise provided by this section, the provisions of the Part shall not apply to extra long staple cotton which is produced from pure strain varieties of the Barbadosense species, or and hybrid thereof, or other similar types of extra long staple cotton designated by the Secretary having characteristics needed for various end uses for which American upland cotton is not suitable, and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of such varieties or types.

(b) Whenever during any calendar year, not later than October 15, the Secretary determines that the total supply of cotton described in subsection (a) for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of such cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the quantity of cotton described in subsection (a) adequate to make available a normal supply of cotton, taking into account (1) the estimated carry-over at the beginning of



the marketing year which begins in the next calendar year, and (2) the estimated imports during such marketing year : *Provided, That beginning with the 1961 crop of extra long staple cotton, such national marketing quota shall be an amount equal to (1) the estimated domestic consumption plus exports for the marketing year which begins in the next calendar year, less (2) the estimated imports, plus (3) such additional number of bales, if any, as the Secretary determines is necessary to assure adequate working stocks in trade channels until cotton from the next crop becomes readily available without resort to Commodity Credit Corporation stocks.* The national marketing quota for cotton described in subsection (a) for any year shall not be less than the larger of thirty thousand bales or a number of bales equal to 30 per centum of the estimated domestic consumption plus exports of such cotton for the marketing year beginning in the calendar year in which such quota is proclaimed.

\* \* \* \* \*

SEC. 353. \* \* \*

(c) Notwithstanding any other provisions of this Act—

\* \* \* \* \*

(6) The national acreage allotments of rice for 1957 and **[1958]** *subsequent years* shall be not less than the national acreage allotment for 1956, including any acreage allotted under paragraph (5) of this subsection, and such national allotments for 1957 and **[1958]** *subsequent years* shall be apportioned among the States in the same proportion that they shared in the total acreage allotted in 1956.

### COMPARISON OF SECTION 104 OF THE BILL WITH SECTION 303 OF THE AGRICULTURAL ACT OF 1956

(Provisions of sec. 303 which are omitted from sec. 104 are enclosed in brackets, new matter contained only in sec. 104 it printed in italic, provisions contained in both secs. 303 and 104 are shown in roman:)

SEC. **[303]** 104. (a) Section 344 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided, That there is hereby established a national acreage reserve consisting of **[one hundred]** three hundred and ten thousand acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be one thousand acres) **[, and the]**.* *For the 1960 and succeeding crops of cotton, the needs of States (other than Nevada) for such additional acreage for such purpose may be estimated by the Secretary, after taking into consideration such needs as determined or estimated for the preceding crop of cotton and the size of the national acreage allotment for such crop. The additional acreage so apportioned to the State shall be apportioned to the counties on the **[same]** basis of the needs of the counties for such additional acreage for such purpose, and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall*



be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing [proviso] *provisions* and under the last proviso in subsection (c) shall be determined as though allotments were first computed without regard to subsection (f) (1)."

(b) Section 344 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided further*, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined *or estimated* by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved [by the State committee] under this subsection shall not be less than the smaller of (1) the remaining acreage so determined *or estimated* to be required for establishing minimum farm allotments or (2) 3 per centum of the State acreage allotment; and the acreage which [the State committee] is required to [reserve] *be reserved* under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreages)."

(c) Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing paragraph (1) to read as follows:

"(1) Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) [four] *ten* acres; or (B) the [highest number of acres planted to cotton in any year of such three-year period] *the acreage allotment established for the farm for the 1958 crop.*"

(d) The first sentence of section 344 (f) (6) of such Act is amended to read as follows: "Notwithstanding the provisions of paragraph (2) of this subsection, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the remainder of the county acreage allotment (after making allotments as provided in paragraph (1) of this subsection) shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the three years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period: *Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 per centum of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided fur-*

*ther*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 per centum limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein."

(e) The amendments made by this section shall be effective [only with respect to 1957 and 1958 crops] *beginning with the 1959 crop*. For the 1956 crop, an acreage in each State equal to the acreage allotted in such State which the Secretary determines will not be planted, placed in the acreage reserve or conservation reserve, or considered as planted under section 377 of the Agricultural Adjustment Act of 1938, as amended, may be apportioned by the Secretary among farms in such State having allotments of less than the smaller of the following: (1) four acres, or (2) the highest number of acres planted to cotton in any of the years 1953, 1954, and 1955.

## MINORITY VIEWS

We believe the bill reported by the Senate Agriculture Committee is inadequate and incomplete in dealing with the serious problems facing more than 20 million farm people.

The bill would make substantial changes in present legislation on cotton, rice, and feed grains, but it makes no provision for dairy, wheat, and other important segments of agriculture.

The minority is aware of the need for legislation on rice and cotton. We know that, in the absence of legislation, cotton acreage will be reduced by 20 percent beginning with the 1959 crop. We know what such a reduction would mean to the many thousands of small cotton farmers. We also realize the cotton industry faces a different problem of meeting domestic and foreign competition.

Legislation to deal effectively with the problems in cotton and rice is absolutely necessary.

However, we submit that the problems facing dairy farmers, producers of feed grains and livestock, and wheat, are equally serious and that legislation is also desperately needed for these commodities. Unfortunately, the committee bill is lacking in these respects.

In our opinion, the failure is not so much intent upon the part of any members of the committee as it is evidence of the administration's use of its veto power to thwart the will—and the judgment—of the majority of the legislative branch.

As much as we recognize the need for corrective action on cotton and rice acreage allotments, we do not believe in accepting the dictates of any Secretary of Agriculture as to what can be in a bill or what cannot be.

We welcome the Secretary's recommendations. We have always given them serious study. But we are not ready to delegate to him our legislative powers and our legislative responsibility.

We are not convinced that a majority of the Senate committee really believes this bill is satisfactory legislation. We think the cotton section could and should have been better. We think that the rice section could and should have been better.

We think, too, that a majority of the committee would support and report more effective legislation for corn and feed grain producers, for wheatgrowers, and for dairy farmers—if it were not for the constantly repeated threat of a veto, and the fear that even the compromise cotton and rice provisions would be rejected if the committee took any action on these other commodities of which the Secretary did not approve.

We cannot subscribe to abandoning our legislative responsibilities and permitting such usurpation of legislative power by the executive branch.

In the face of the serious plight of farm families, we are unwilling to support such legislation for corn and feed grains, for example, which offers no corrective cures but instead merely reduces what meager income protection these farmers already have.



The final test that was applied to alternative proposals in the Senate committee's decision was not so much the extent to which it would help the farmer as it was whether or not the proposal would be accepted by Secretary Benson. We submit that the President has veto power after the Congress has acted but neither the President nor the designee should wild a veto power to control drafting of legislation in our or any other committee.

#### DAIRY INDUSTRY NEEDS EFFECTIVE PROGRAM

The Nation's family-scale dairy enterprises have suffered severe losses in their returns during the past 5 years, and within the past few months additional losses have been imposed by the reduction in price supports for dairy commodities under the existing program. Action to provide effective means to help dairy producers to protect and improve their returns is urgently needed.

In 1952, the national average price received by farmers for manufacturing milk was \$4.10 per hundred pounds. In May 1958, the latest report available, the national average price received by farmers for manufacturing milk is only \$3.

This decline of \$1.10 per hundred pounds in the price of manufacturing milk indicates only part of the true loss in real income to producers, for costs of production have climbed sharply during the intervening years and months. The 1952 average price received by farmers of \$4.10 per hundredweight represented 96 percent of parity. As measured by the same parity equivalent standard that was in use in 1952, the average price received in May 1958, adjusted for butterfat content, was only 69 percent of parity.

The true loss in real purchasing power of manufacturing milk, therefore, has totaled 28 percent from 1952 to the present time.

This has been a staggering blow to the dairy producer's standard of living. It has come during a period when virtually every other economic group outside of agriculture has been enjoying stable or rising returns.

Testimony before the committee in public hearings demonstrated that there is a substantial degree of agreement among dairy producers and their representatives upon the need for an effective dairy program which would protect the returns of producers at a fair level and avoid substantial costs to the Government. The central principles of proposals that have been offered are—

1. Provide the mechanism whereby producers can adjust their marketings of milk to the real needs of the Nation for domestic markets and for export;

2. A system of incentives to producers to cooperate with the marketing adjustment plan, to be financed within the dairy economy without the need for imposing heavy burdens upon the Treasury.

Marketing agreements and marketing orders in the fluid milk markets provide substantial precedent for a national program embodying these principles to be applied to manufacturing milk.

The minority believe that Congress should extend to dairy producers an opportunity to participate in a long-range program based on these principles.

As an immediate measure, pending action to establish a long range program, the minority believes that Congress should act to raise the minimum level of support for dairy commodities under the present program sufficiently at least to offset the loss suffered through the reduction in price support on April 1, of this year.

We believe the corn-feed grain section of the committee bill is seriously inadequate in dealing with an area of agriculture from which more than half of total farm income is directly or indirectly derived.

The committee measure would abandon the parity principle—the foundation of our farm program for over a quarter century. To do this is to deny the principle that agriculture should have equitable treatment comparable to that accorded other segments of our national economy. We are not willing to surrender this principle.

The committee bill proposes to abolish corn acreage control and open the way for even greater production at a time when total feed grain supplies are at record levels. According to Department of Agriculture estimates, the total carryover of feed grains at the end of the 1957-58 marketing year will be 62 million tons—almost double of the 1952-56 average.

The rapid buildup in production and supplies of feed grains has occurred, in part, as a result of policies which lower the price supposedly to discourage production. Comparing 1952 with 1957, prices of feed grains declined 29 percent, and production increased 19 percent. For all farm commodities prices fell 16 percent and production increased 6 percent in the same period.

The increased productions and accumulation of feed grains and other commodities has occurred despite a mammoth land retirement program which removed from production over 60 million acres during the last 3 years.

As a result of the increased supply of feed, livestock numbers are rapidly increasing and the livestock economy is facing another disastrous collapse in its prices.

To lower further the prices and permit unlimited production, as the committee bill proposes, will only accentuate the trend toward cheap feed—and therefore cheap livestock. When the inevitable collapse comes in prices of hogs and cattle as a consequence of the unlimited production of cheap feed grain, it will build up additional shifts to dairy and other alternative products and spread the effect of lower prices to those commodities also.

The direct and indirect consequences of this proposal will be further serious reductions in farmers' incomes, which have already dropped 20 percent since 1952.

We believe that legislation is needed which will provide the machinery whereby producers may adjust their production to market requirements. We believe farmers want an opportunity to apply reasonable controls on their production if they can be assured thereby of a fair return.

While we strongly believe the committee action on corn and feed grains is a move in the wrong direction, we would not be so dogmatic as to deny it as one choice available to the producers. We supported the proposal, defeated in committee, to offer a choice plan, whereby those farmers who are willing to voluntarily curtail their production would receive a higher price support and at the same time permit

farmers who desired to increase their production to do so and receive only minimum price support.

The committee bill takes no action to recognize the serious situation with respect to wheat. The Department of Agriculture has estimated the 1958 wheat crop to be 34 percent greater than last year and that the carryover at the end of the 1958-59 marketing year will be at a record level.

This situation has developed during a period when the Secretary of Agriculture has reduced wheat price supports on his supposition that production will be reduced. Instead production increased—even with severe acreage allotments and the soil bank acreage reserve program.

Wheat growers have repeatedly shown their willingness to cooperate in production adjustment as indicated by overwhelmingly approving marketing quotas. We believe that Congress has a responsibility to provide wheat growers with an effective means for adjusting their production so as to achieve a fair income.

HUBERT HUMPHREY.  
STUART SYMINGTON.  
WILLIAM PROXMIRE.





Calendar No. 1801

85<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**S. 4071**

[Report No. 1766]

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IN THE SENATE OF THE UNITED STATES

JUNE 28, 1958

Mr. ELLENDER, from the Committee on Agriculture and Forestry, under authority of the order of the Senate of June 27, 1958, reported the following bill; which was read twice and placed on the calendar

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**A BILL**

To provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Agricultural Act of  
4       1958".

5                               TITLE I—COTTON

6                               PROGRAM FOR 1959 AND 1960

7       SEC. 101. The Agricultural Act of 1949, as amended,  
8       is amended by adding the following new section:

9       "SEC. 102. Notwithstanding any other provisions of  
10      law—

11               "(a) for each of the 1959 and 1960 crops of

1 upland cotton the Secretary of Agriculture is authorized  
2 and directed to offer the operator of each farm for which  
3 an allotment is established under section 344 of the  
4 Agricultural Adjustment Act of 1938, as amended, a  
5 choice of (A) the farm acreage allotment determined  
6 pursuant to section 344 of the Agricultural Adjustment  
7 Act of 1938, as amended, and price support determined  
8 pursuant to section 101 of this Act (the amount of  
9 cotton estimated to be produced on the additional acres  
10 allotted to producers selecting choice (B) for such year  
11 being taken into account in computing such support),  
12 or (B) the farm acreage allotment determined pursu-  
13 ant to section 344 of the Agricultural Adjustment Act  
14 of 1938, as amended, increased by 40 per centum (such  
15 increased acreage allotment to be the acreage allotment  
16 for the farm for all purposes) and price support at a  
17 level which is 15 per centum of parity below the  
18 level of support established for producers who elect  
19 choice (A). Any person operating more than one  
20 farm, in order to be eligible for choice (B), must elect  
21 choice (B) for all farms for which he is operator. Not  
22 later than January 31 the Secretary shall determine  
23 and announce on the basis of his estimate of the supply  
24 percentage as of August 1, the price support level for  
25 producers who elect choice (A) and such price support



level shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative levels of price support and the alternative acreage allotments available for his farm. The operator of each farm shall, within the time prescribed by the Secretary, notify the county committee in writing whether he desires the increased acreage allotment and the level of price support prescribed in choice (B) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have chosen the acreage allotment and the price support level prescribed in choice (A). The choice elected by the operator shall apply to all the producers on the farm. The additional acreage required to be allotted to farms under this section shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm acreage allotments. Notwithstanding any other

1 provision of law, no farm participating in any cotton  
2 acreage reserve program established for 1959 under the  
3 Soil Bank Act shall receive an increased acreage allot-  
4 ment under the provisions of this section for 1959.  
5 Notwithstanding the provisions of section 344 (m) (2)  
6 any farm cotton acreage allotment increased as the  
7 result of the selection of choice (B) may not be released  
8 and reapportioned to any other farm. Price support  
9 shall be made available under this paragraph only to  
10 cooperators and only if producers have not disapproved  
11 marketing quotas for the crop.

12 “(b) for each of the 1959 and 1960 crops of upland  
13 cotton, price support shall be made available to producers  
14 who elect choice (A) through a purchase program.  
15 Price support shall be made available to producers who  
16 elect choice (B) through loans, purchases, or other  
17 operations.

18 “(c) the Commodity Credit Corporation is directed,  
19 during the period beginning August 1, 1959, and ending  
20 July 31, 1961, to offer any upland cotton owned by it  
21 for sale for unrestricted use at not less than 10 per  
22 centum above the current level of price support pre-  
23 scribed in choice (B).”

## 1 PRICE SUPPORT FOR 1961 AND SUBSEQUENT YEARS

2 SEC. 102. (a) The Agricultural Act of 1949, as  
3 amended, is amended by adding a new section 103 as  
4 follows:

5 "SEC. 103. Notwithstanding any other provision of law,  
6 beginning with the 1961 crop, the level of price support to  
7 producers for each crop of upland and extra long staple cotton,  
8 respectively, shall be 90 per centum of the average market  
9 price of middling one inch cotton in the designated spot  
10 markets in the case of upland cotton, and of grade numbered 3,  
11 one and seven-sixteenths inch American-Egyptian cotton in  
12 the quoted spot markets in the case of extra long staple cotton,  
13 during the three calendar years immediately preceding the  
14 calendar year in which the marketing year for such crop  
15 begins, except that the level of price support for upland  
16 cotton shall not be less than 30 cents per pound. Price  
17 support shall be made available under this section only to  
18 cooperators and only if producers have not disapproved  
19 marketing quotas. Price support in the case of noncoopera-  
20 tors and in case marketing quotas are disapproved shall be  
21 as provided in section 101 (d) (3) and (5). Middling one  
22 inch and grade numbered 3, one and seven-sixteenths inches  
23 shall be the standard quality of upland and extra long staple



1 cotton, respectively, for purposes of price support under this  
2 section.”

3       ACREAGE ALLOTMENTS AND MARKETING QUOTAS

4       SEC. 103. The Agricultural Adjustment Act of 1938,  
5 as amended, is amended as follows:

6       (1) Section 342 is amended by striking out the third  
7 sentence and by changing the period at the end of the sec-  
8 ond sentence to a colon and adding the following: “*Pro-*  
9 *vided*, That beginning with the 1961 crop, the national mar-  
10 keting quota shall be not less than a number of bales equal  
11 to the estimated domestic consumption and estimated ex-  
12 ports (less estimated imports) for the marketing year for  
13 which the quota is proclaimed, except that the Secretary  
14 shall make such adjustment in the amount of such quota as  
15 he determines necessary after taking into consideration the  
16 estimated stocks of cotton in the United States (including  
17 the qualities of such stocks) and the stocks in foreign  
18 countries which would be available for the marketing year  
19 for which the quota is being proclaimed if no adjustment  
20 of such quota is made hereunder, to assure the mainte-  
21 nance of adequate but not excessive stocks in the United  
22 States to provide a continuous and stable supply of the  
23 different qualities of cotton needed in the United States  
24 and in foreign cotton consuming countries, and for purposes  
25 of national security; but the Secretary, in making such ad-



1 justments, may not reduce the national marketing quota for  
2 any year below (i) one million bales less than the estimated  
3 domestic consumption and estimated exports for the market-  
4 ing year for which such quota is being proclaimed, or (ii)  
5 ten million bales, whichever is larger.”

6 (2) Section 342 is further amended by adding at the  
7 end thereof the following: “Notwithstanding any other pro-  
8 vision of this Act (except section 344 (k) ), the national  
9 marketing quota for upland cotton for 1959 and subsequent  
10 years shall be not less than the number of bales required  
11 to provide a national acreage allotment for each such year  
12 of sixteen million acres, and the national acreage allotment  
13 for each such year shall be apportioned among the States  
14 in the same proportion that they shared in the national  
15 acreage allotment in 1958.”

16 (3) Section 347 (b) is amended by changing the  
17 period at the end of the second sentence to a colon and adding  
18 the following: “*Provided*, That beginning with the 1961  
19 crop of extra long staple cotton, such national marketing  
20 quota shall be an amount equal to (1) the estimated domes-  
21 tic consumption plus exports for the marketing year which  
22 begins in the next calendar year, less (2) the estimated  
23 imports, plus (3) such additional number of bales, if any,  
24 as the Secretary determines is necessary to assure adequate  
25 working stocks in trade channels until cotton from the next

1 crop becomes readily available without resort to Commodity  
2 Credit Corporation stocks.”

3 (4) The second sentence of section 344 (a) is amended  
4 by striking the word “five” and substituting the word  
5 “three” and by inserting after the second comma “adjusted  
6 for abnormal conditions and trends,”.

7 MINIMUM FARM ALLOTMENTS

8 SEC. 104. (a) Section 344 (b) of the Agricultural  
9 Adjustment Act of 1938, as amended, is amended by insert-  
10 ing before the period at the end thereof a colon and the fol-  
11 lowing: “*Provided*, That there is hereby established a na-  
12 tional acreage reserve consisting of three hundred and ten  
13 thousand acres which shall be in addition to the national  
14 acreage allotment; and such reserve shall be apportioned to  
15 the States on the basis of their needs for additional acreage  
16 for establishing minimum farm allotments under subsection  
17 (f) (1), as determined by the Secretary without regard to  
18 State and county acreage reserves (except that the amount  
19 apportioned to Nevada shall be one thousand acres). For  
20 the 1960 and succeeding crops of cotton, the needs of States  
21 (other than Nevada) for such additional acreage for such  
22 purpose may be estimated by the Secretary, after taking  
23 into consideration such needs as determined or estimated  
24 for the preceding crop of cotton and the size of the national  
25 acreage allotment for such crop. The additional acreage

1 so apportioned to the State shall be apportioned to the coun-  
 2 ties on the basis of the needs of the counties for such addi-  
 3 tional acreage for such purpose, and added to the county  
 4 acreage allotment for apportionment to farms pursuant to  
 5 subsection (f) of this section (except that no part of such  
 6 additional acreage shall be used to increase the county re-  
 7 serve above 15 per centum of the county allotment deter-  
 8 mined without regard to such additional acreage). Addi-  
 9 tional acreage apportioned to a State for any year under  
 10 the foregoing proviso shall not be taken into account in  
 11 establishing future State acreage allotments. Needs for  
 12 additional acreage under the foregoing provisions and under  
 13 the last proviso in subsection (e) shall be determined or  
 14 estimated as though allotments were first computed without  
 15 regard to subsection (f) (1)."

16 (b) Section 344 (e) of the Agricultural Adjustment  
 17 Act of 1938, as amended, is amended by inserting before  
 18 the period at the end thereof a colon and the following:  
 19 "*Provided further*, That if the additional acreage allocated  
 20 to a State under the proviso in subsection (b) is less than  
 21 the requirements as determined or estimated by the Secre-  
 22 tary for establishing minimum farm allotments for the State  
 23 under subsection (f) (1), the acreage reserved under this  
 24 subsection shall not be less than the smaller of (1) the



1 remaining acreage so determined or estimated to be required  
2 for establishing minimum farm allotments or (2) 3 per  
3 centum of the State acreage allotment; and the acreage  
4 which is required to be reserved under this proviso shall  
5 be allocated to counties on the basis of their needs for addi-  
6 tional acreage for establishing minimum farm allotments  
7 under subsection (f) (1), and added to the county acreage  
8 allotment for apportionment to farms pursuant to subsection  
9 (f) of this section (except that no part of such additional  
10 acreage shall be used to increase the county reserve above  
11 15 per centum of the county allotment determined without  
12 regard to such additional acreages).”

13 (c) Section 344 (f) of the Agricultural Adjustment  
14 Act of 1938, as amended, is amended by changing para-  
15 graph (1) to read as follows:

16 “(1) Insofar as such acreage is available, there shall  
17 be allotted the smaller of the following: (A) ten acres;  
18 or (B) the acreage allotment established for the farm for  
19 the 1958 crop.”

20 (d) The first sentence of section 344 (f) (6) of such  
21 Act is amended to read as follows: “Notwithstanding the  
22 provisions of paragraph (2) of this subsection, if the county  
23 committee recommends such action and the Secretary deter-

1 mines that such action will result in a more equitable distri-  
2 bution of the county allotment among farms in the county,  
3 the remainder of the county acreage allotment (after making  
4 allotments as provided in paragraph (1) of this subsection)  
5 shall be allotted to farms other than farms to which an  
6 allotment has been made under paragraph (1) (B) of this  
7 subsection so that the allotment to each farm under this  
8 paragraph together with the amount of the allotment of  
9 such farm under paragraph (1) (A) of this subsection  
10 shall be a prescribed percentage (which percentage shall  
11 be the same for all such farms in the county) of the average  
12 acreage planted to cotton on the farm during the three years  
13 immediately preceding the year for which such allotment is  
14 determined, adjusted as may be necessary for abnormal  
15 conditions affecting plantings during such three-year period:  
16 *Provided*, That the county committee may in its discretion  
17 limit any farm acreage allotment established under the pro-  
18 visions of this paragraph for any year to an acreage not in  
19 excess of 50 per centum of the cropland on the farm, as  
20 determined pursuant to the provisions of paragraph (2)  
21 of this subsection: *Provided further*, That any part of the  
22 county acreage allotment not apportioned under this para-  
23 graph by reason of the initial application of such 50 per

1 centum limitation shall be added to the county acreage  
2 reserve under paragraph (3) of this subsection and shall  
3 be available for the purposes specified therein.”

4 (e) The amendments made by this section shall be  
5 effective beginning with the 1959 crop.

6 SEC. 105. Effective beginning with the 1959 crop, sec-  
7 tion 344 (f) of the Agricultural Adjustment Act of 1938,  
8 as amended, is amended by adding at the end thereof the  
9 following new paragraph:

10 “(7) (A) In the event that any farm acreage allot-  
11 ment is less than that prescribed by paragraph (1), such  
12 acreage allotment shall be increased to the acreage prescribed  
13 by paragraph (1). The additional acreage required to be  
14 allotted to farms under this paragraph shall be in addition to  
15 the county, State, and national acreage allotments and the  
16 production from such acreage shall be in addition to the na-  
17 tional marketing quota.

18 “(B) Notwithstanding any other provision of law—

19 “(i) the acreage by which any farm acreage allot-  
20 ment for 1959 or any subsequent crop computed without  
21 regard to paragraph (1) is increased by reason of the  
22 application of paragraph (1) shall not be taken into  
23 account in establishing future acreage allotments for  
24 such farm;

25 “(ii) the acreage by which any county acreage



1 allotment for 1959 or any subsequent crop is increased  
2 from the national or State reserve on the basis of its  
3 needs for additional acreage for establishing minimum  
4 farm allotments shall not be taken into account in estab-  
5 lishing future county acreage allotments, and

6 “(iii) the additional acreage allotted pursuant to  
7 subparagraph (A) of this paragraph (7) shall not be  
8 taken into account in establishing future State, county,  
9 or farm acreage allotments.”

10 METHOD OF DETERMINING FARM ALLOTMENTS

11 SEC. 106. Section 344 (f) of the Agricultural Adjust-  
12 ment Act of 1938, as amended, is amended by adding at the  
13 end thereof the following new paragraph:

14 “(8) Notwithstanding the foregoing provisions of  
15 paragraphs (2) and (6) of this subsection, the Secretary  
16 may, if he determines that such action will facilitate the  
17 effective administration of the provisions of the Act, provide  
18 for the county acreage allotment for the 1959 and succeed-  
19 ing crops of cotton, less the acreage reserved under para-  
20 graph (3) of this subsection, to be apportioned to farms  
21 on which cotton has been planted in any one of the three  
22 years immediately preceding the year for which such allot-  
23 ment is determined, on the basis of the farm acreage  
24 allotment for the year immediately preceding the year for  
25 which such apportionment is made, adjusted as may be

1 necessary (i) for any change in the acreage of cropland  
2 available for the production of cotton, or (ii) to meet the  
3 requirements of any provision (other than those contained  
4 in paragraphs (2) and (6) ) with respect to the counting of  
5 acreage for history purposes.”

6 RETENTION OF SURRENDERED ACREAGE IN COUNTY

7 SEC. 107. Paragraph (2) of section 344 (m) of the  
8 Agricultural Adjustment Act of 1938, as amended, is  
9 amended by striking out the period at the end of the second  
10 sentence of such paragraph and inserting in lieu thereof the  
11 following: “; but no such acreage shall be surrendered to  
12 the State committee so long as any farmer receiving a cotton  
13 acreage allotment in such county desires additional cotton  
14 acreage.”

15 STANDARD GRADE

16 SEC. 108. Section 3 (a) of the Act of August 29, 1949,  
17 Public Law 272, 81st Congress and the last sentence of  
18 section 403 of the Agricultural Act of 1949, as amended,  
19 are hereby repealed. Such section 403 is further amended  
20 by inserting “, except in the case of cotton,” after the word  
21 “commodity” in the second sentence thereof. This section  
22 shall become effective with the 1961 crop.

## CCC SALES RESTRICTIONS

SEC. 109. Section 407 of the Agricultural Act of 1949, as amended, is amended by substituting a colon for the period at the end of the third sentence and adding at the end thereof the following: "*Provided*, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended."

## COTTON EXPORT PROGRAM

SEC. 110. Nothing in this Act shall be construed to affect or modify the provisions of section 203 of the Agricultural Act of 1956, and any cotton owned or acquired by



1 the Commodity Credit Corporation under any price support  
2 program may be used for the purpose of carrying out the  
3 cotton export program provided for in section 203 of the  
4 Agricultural Act of 1956.

5 TITLE II—CORN AND FEED GRAINS

6 DISCONTINUANCE OF ACREAGE ALLOTMENTS ON CORN

7 SEC. 201. The Agricultural Adjustment Act of 1938,  
8 as amended, is amended by adding the following new sec-  
9 tion:

10 "SEC. 330. Notwithstanding any other provision of law,  
11 acreage allotments and a commercial corn-producing area  
12 shall not be established for the 1959 and subsequent crops of  
13 corn."

14 PRICE SUPPORT

15 SEC. 202. The Agricultural Act of 1949, as amended,  
16 is amended by adding the following new section:

17 "SEC. 104. (a) Notwithstanding any other provision  
18 of law, beginning with the 1959 crop, price support shall  
19 be made available to producers for each crop of corn at 90  
20 per centum of the average price received by farmers during  
21 the three calendar years immediately preceding the calendar  
22 year in which the marketing year for such crop begins  
23 adjusted to offset the effect on such price of any abnormal

1 quantities of low grade corn marketed during any of such  
2 years: *Provided*, That the level of price support for any  
3 crop of corn shall not be less than \$1.10 per bushel.

4 “(b) Beginning with the 1959 crop, price support  
5 shall be made available to producers for each crop of oats,  
6 rye, barley, and grain sorghums at such level not less than  
7 60 per centum of the parity price therefor as the Secretary  
8 of Agriculture determines is fair and reasonable in relation  
9 to the level at which price support is made available for  
10 corn, taking into consideration the feeding value of such  
11 commodity in relation to corn, the normal price relationship  
12 between such commodity and corn, the location and stora-  
13 bility of the commodity and other relevant factors.”

14 SEC. 203. Section 101 (d) (4) of the Agricultural  
15 Act of 1949, as amended, is repealed effective with the 1959  
16 crop.

### 17 TITLE III—RICE

#### 18 MINIMUM NATIONAL AND STATE ACREAGE ALLOTMENTS

19 SEC. 301. Section 353 (c) (6) of the Agricultural  
20 Adjustment Act of 1938, as amended, is amended by strik-  
21 ing out “1957 and 1958” in each place it occurs therein,  
22 and inserting “1957 and subsequent years”.

## PRICE SUPPORT

2       SEC. 302. (a) Section 101 (a) of the Agricultural Act  
3       of 1949, as amended, is amended, effective beginning with  
4       the 1959 crop—

5 (1) by striking out “wheat, and rice” and insert-  
6 ing “and wheat”; and

7           (2) by adding at the end thereof the following new  
8       paragraph: "For rice of the 1959 and 1960 crops, the  
9       level of support shall be not less than 75 per centum  
10      of the parity price."

(b) Section 101 (d) of the Agricultural Act of 1949,  
as amended, is amended by adding at the end thereof the  
following new paragraph:

14       “(8) For rice of the 1961 and subsequent crops the  
15 level of support shall be 90 per centum of the average price  
16 received by farmers during the three calendar years im-  
17 mediately preceding the year in which the crop is harvested,  
18 but not less than \$4 per hundredweight.”





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**A BILL**

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To provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

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By Mr. ELLENDER

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JUNE 28, 1958

Read twice and placed on the calendar







# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 7, 1958  
For actions of July 3, 1958  
85th-2d, No. 111

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HIGHLIGHTS: House to consider today bill to extend Public Law 480. House committee ordered reported bill to amend Federal Seed Act.

### HOUSE

1. THE AGRICULTURE COMMITTEE ordered reported the following bills: (D 634)
  - S. 1939, to make various amendments to the Federal Seed Act regarding labeling requirements.
  - H. R. 11800, with amendment, to authorize the Secretary to convey a tract of land and buildings thereon under the jurisdiction of ARS to the city of Clifton, N. J.
  - H. Con. Res. 295, with amendment, expressing the sense of Congress as favoring the establishment of a Hall of Fame for Agriculture.
2. STATEHOOD. Rep. Udall paid tribute to the efforts of Delegate Bartlett, Alaska, in getting legislation enacted for the admission of Alaska as a State. p. 11814
3. SMALL BUSINESS. Rep. Hill inserted his press release expressing satisfaction over the passage of legislation to make the Small Business Administration a permanent agency. p. 11815
4. FOREIGN TRADE. Rep. Byrd discussed the problems of foreign trade, urged protection of U. S. industries against the importation of low-priced competitive goods, and inserted a newspaper editorial discussing the matter. pp. 11815-16

5. LANDS. Received from Interior a proposed bill "to direct the Secretary of the Interior to administer certain acquired lands as revested Oregon and California railroad grant lands"; to Interior and Insular Affairs Committee.  
p. 11817

6. ADJOURNED until Mon., July 7. p. 11817

SENATE

7. FARM PROGRAM. Sens. Schoeppel and Young submitted an amendment to S. 4071, the Senate farm bill, which would add a new title to extend and amend the Agricultural Trade Development and Assistance Act of 1954. p. 11801

8. MINERALS. The Interior and Insular Affairs Committee reported with amendments S. 4036, to provide direct payments for price stabilization to mineral producers (S. Rept. 1799). p. 11800

9. RESEARCH. Sen. Thye urged enactment of S. 4100, to provide for increased industrial use of agricultural products, and inserted an article on the value of new-uses research. pp. 11801-2

10. STATEHOOD. Sen. Neuberger commended the efforts of Mr. Gruening and Mr. Bartlett in securing statehood for Alaska (pp. 11803-4), and inserted two columns on the results of Alaska's admission (pp. 11810-11).

11. FORESTRY. Sen. Neuberger inserted a letter from an ex-President of the Nat'l Lumber Manufacturers' Ass'n criticizing the opposition of that organization to the Klamath termination extension bill. pp. 11806-7

12. LEGISLATIVE PROGRAM. Sen. Mansfield announced various bills which may be considered soon, including S. 4071, the farm bill; S. 4035, the housing bill; and H. R. 12858, the public works appropriation bill. p. 11804

13. ADJOURNED until Mon., July 7. p. 11811

ITEMS IN APPENDIX

14. POULTRY. Sen. Beall inserted his statement on the 11th annual Delmarva chicken festival. pp. A6034-5

15. ATOMIC ENERGY. Rep. Aspinall inserted Rep. Durham's speech to the Nat'l Ass'n of Manufacturers on "Radiation Hazards Facing the States and Nation (pp. A6036-9), and a special report on "The Implications of Radiation Safety to Industry as a Whole," by an industrialist (pp. A6043-6).

16. WATER RESOURCES. Rep. Multer inserted an article on the water resources development program in Israel. pp. A6054-5

17. ECONOMIC SITUATION. Rep. Multer inserted an article, "United States At Mid-Year: Things Aren't Getting Bad As Fast As They Were." p. A6060

18. FARM PROGRAM. Sen. Watkins inserted his interview with Secretary Benson on the present status of American agriculture in which the Secretary noted a general rise in farm prices, improvements in certain areas, and the value of building markets rather than seeking price supports for poultry. pp. A6060-2



Calendar No. 1801

85TH CONGRESS  
2D SESSION

**S. 4071**

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IN THE SENATE OF THE UNITED STATES

JULY 3, 1958

Ordered to lie on the table and to be printed

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## **AMENDMENT**

Intended to be proposed by Mr. SCHOEPPPEL (for himself and Mr. YOUNG) to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities, viz: At the end of the bill add the following new title:

1                   **TITLE IV—PUBLIC LAW 480**

2           SEC. 401. Section 103 (b) of the Agricultural Trade  
3 Development and Assistance Act of 1954, as amended  
4 (Public Law 480, Eighty-third Congress), is amended to  
5 read as follows:

6           “(b) Agreements shall not be entered into under this  
7 title during any fiscal year which will call for appropriations  
8 to reimburse the Commodity Credit Corporation, pursuant  
9 to subsection (a) of this section, in amounts in excess of  
10 \$1,500,000,000, plus any amount by which agreements



1 entered into in prior fiscal years (beginning with the fiscal  
2 year ending June 30, 1958) have called or will call for  
3 appropriations to reimburse the Commodity Credit Corpora-  
4 tion in amounts less than authorized for such prior fiscal  
5 years.”

6 SEC. 402. (a) Section 104 of such Act is amended by  
7 inserting before the period at the end of the first sentence of  
8 paragraph (h) thereof the following: “and for the financing  
9 of programs for the interchange of persons under title II of  
10 the United States Information and Educational Exchange  
11 Act of 1948, as amended (22 U. S. C. 1446)”.

12 (b) Such section is further amended by adding after  
13 paragraph (k) the following new paragraph:

14 “(l) For providing assistance, by grant or otherwise,  
15 in the expansion or operation in foreign countries of estab-  
16 lished schools, colleges, or universities founded or sponsored  
17 by citizens of the United States, for the purpose of enabling  
18 such educational institutions to carry on programs of voca-  
19 tional, professional, scientific, technological, or general edu-  
20 cation; and in the supporting of workshops in American  
21 studies or American educational techniques, and supporting  
22 chairs in American studies.”

23 SEC. 403. Section 109 of such Act is amended by striking  
24 out “June 30, 1958” and inserting in lieu thereof “June 30,  
25 1960”.

1        SEC. 404. Section 204 of such Act is amended by striking  
2 out "June 30, 1958" and inserting in lieu thereof "June 30,  
3 1960".

4        SEC. 405. Section 206 (a) of the Agricultural Act of  
5 1956 is amended by inserting before the period at the end  
6 thereof a semicolon and the following: "but no strategic or  
7 critical material shall be acquired by the Commodity Credit  
8 Corporation as a result of such barter or exchange except for  
9 such national stockpile, for such supplemental stockpile, for  
10 foreign economic or military aid or assistance programs, or  
11 for offshore construction programs".

12        SEC. 406. In carrying out the provisions of the Agricul-  
13 tural Trade Development and Assistance Act of 1954, as  
14 amended, extra long staple cotton shall be made available  
15 for sale pursuant to the provisions of title I of the Act in  
16 the same manner as upland cotton or any other surplus  
17 agricultural commodity is made available, and products  
18 manufactured from upland or long-staple cotton shall be  
19 made available for sale pursuant to the provisions of title I  
20 of the Act as long as cotton is in surplus supply, and no  
21 discriminatory or other conditions shall be imposed which  
22 will prevent or tend to interfere with their sale or avail-  
23 ability for sale under the Act.

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## AMENDMENT

---

Intended to be proposed by Mr. SCHORER (for himself and Mr. Young) to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

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JULY 3, 1958

Ordered to lie on the table and to be printed

Calendar No. 1801

85TH CONGRESS  
2D SESSION

# S. 4071

---

IN THE SENATE OF THE UNITED STATES

JULY 3, 1958

Ordered to lie on the table and to be printed

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## AMENDMENT

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1                   TITLE IV—PUBLIC LAW 480

2           SEC. 401. Section 103 (b) of the Agricultural Trade  
3 Development and Assistance Act of 1954, as amended  
4 (Public Law 480, Eighty-third Congress), is amended to  
5 read as follows:

6           “(b) Agreements shall not be entered into under this  
7 title during any fiscal year which will call for appropriations  
8 to reimburse the Commodity Credit Corporation, pursuant  
9 to subsection (a) of this section, in amounts in excess of  
10 \$1,500,000,000, plus any amount by which agreements



1 entered into in prior fiscal years (beginning with the fiscal  
2 year ending June 30, 1958) have called or will call for  
3 appropriations to reimburse the Commodity Credit Corpora-  
4 tion in amounts less than authorized for such prior fiscal  
5 years.”

6 SEC. 402. (a) Section 104 of such Act is amended by  
7 inserting before the period at the end of the first sentence of  
8 paragraph (h) thereof the following: “and for the financing  
9 of programs for the interchange of persons under title II of  
10 the United States Information and Educational Exchange  
11 Act of 1948, as amended (22 U. S. C. 1446)”.

12 (b) Such section is further amended by adding after  
13 paragraph (k) the following new paragraph:

14 “(l) For providing assistance, by grant or otherwise,  
15 in the expansion or operation in foreign countries of estab-  
16 lished schools, colleges, or universities founded or sponsored  
17 by citizens of the United States, for the purpose of enabling  
18 such educational institutions to carry on programs of voca-  
19 tional, professional, scientific, technological, or general edu-  
20 cation; and in the supporting of workshops in American  
21 studies or American educational techniques, and supporting  
22 chairs in American studies.”

23 SEC. 403. Section 109 of such Act is amended by striking  
24 out “June 30, 1958” and inserting in lieu thereof “June 30,  
25 1960”.

1       SEC. 404. Section 204 of such Act is amended by striking  
2 out "June 30, 1958" and inserting in lieu thereof "June 30,  
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4       SEC. 405. Section 206 (a) of the Agricultural Act of  
5 1956 is amended by inserting before the period at the end  
6 thereof a semicolon and the following: "but no strategic or  
7 critical material shall be acquired by the Commodity Credit  
8 Corporation as a result of such barter or exchange except for  
9 such national stockpile, for such supplemental stockpile, for  
10 foreign economic or military aid or assistance programs, or  
11 for offshore construction programs".

12       SEC. 406. In carrying out the provisions of the Agricul-  
13 tural Trade Development and Assistance Act of 1954, as  
14 amended, extra long staple cotton shall be made available  
15 for sale pursuant to the provisions of title I of the Act in  
16 the same manner as upland cotton or any other surplus  
17 agricultural commodity is made available, and products  
18 manufactured from upland or long-staple cotton shall be  
19 made available for sale pursuant to the provisions of title I  
20 of the Act as long as cotton is in surplus supply, and no  
21 discriminatory or other conditions shall be imposed which  
22 will prevent or tend to interfere with their sale or avail-  
23 ability for sale under the Act.

---

## AMENDMENT

---

Intended to be proposed by Mr. SCHODERER (for himself and Mr. Young) to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

---

JULY 3, 1958

Ordered to lie on the table and to be printed







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 9, 1958  
For actions of July 8, 1958  
85th-2d, No. 113

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**HIGHLIGHTS:** Rep. Johnson criticized Senate omnibus farm bill. Rep. Reuss charged Public Law 480 disposals injurious to friendly countries. House committee ordered reported Klamath Indian lands bill.

## HOUSE

- FORESTRY.** The Interior and Insular Affairs Committee ordered reported with amendment S. 3051, to provide alternatives of either private or Federal acquisition of the Klamath Indian lands which are to be sold under the Termination Act. p. D647
- FOREIGN TRADE; SURPLUS COMMODITIES.** Rep. Reuss charged that the disposal of surplus commodities under Public Law 480 adversely affects the commodity exports of friendly countries, and urged adoption of an amendment to legislation extending the program to express the policy of Congress that reasonable precautions should be taken in administering the program to avoid displacing usual marketings of friendly countries. He inserted his letter to the Secretary of State expressing his concern over this matter, and a letter from the State Department to the House Agriculture Committee stating that in administering the program "it is both in our interest and in the interest of the free world to avoid displacing dollar sales from the United States and disrupting the normal markets of friendly countries," and that a proposed amendment to legislation to extend Public Law 480 which directs the Secretary of Agriculture to barter surplus commodities for certain materials in an amount not to exceed \$500 annually "would be very damaging to our relations with a large number of our allies." pp. 11944-45

3. FARM PROGRAM. Rep. Johnson criticized the Senate omnibus farm bill, S. 4071, as abandoning "the entire concept of parity on which our farm programs have been based for nearly 30 years," and stated that the bill "contains the most conservative and backward-looking proposals relating to farm income protection of any advanced in the Congress in more than 30 years," and claimed that if enacted it would result in farm incomes being cut in half. pp. 11958-59

4. ONIONS; COMMODITY EXCHANGES. Rep. Ford urged the Senate to pass H. R. 376, to prohibit the trading in onion futures on commodity exchanges, and expressed concern over the "long delay" in its consideration of the bill. p. 11934

5. APPROPRIATIONS; CLAIMS. Received from the President a supplemental appropriation estimate to pay claims for damages, audited claims, and judgments against the U. S. (H. Doc. 418). p. 11962

#### SENATE

6. APPROPRIATIONS. H. R. 12858, the civil functions appropriations bill for the Army, certain agencies of the Interior Department, and TVA, for 1959, was made the pending business. p. 11924

7. PERSONNEL ETHICS. Sen. Ives inserted a news release from the New York City Bar committee on conflict of interest laws in the Federal Government. pp. 11897-8

Sen. Morse discussed the relation of campaign contributions to personal gifts to Federal employees and inserted a column, editorials, and his letter to an editor. pp. 11827-30

8. STATEHOOD. Sen. Mansfield commended the signing of the Alaska statehood bill, H. R. 7999, congratulated Del. Bartlett and Gov. Stepovich, and urged statehood for Hawaii. pp. 11898-9

Sen. Allott urged enactment of legislation to admit Hawaii into the Union as a State. pp. 11914-15

Sen. Martin, Pa., explained why he had voted against Alaskan statehood and welcomed Alaska into the Union. pp. 11924-5

9. SALINE WATER. Sen. Case, S. D., inserted two articles on the advances made in the saline water research program. pp. 11900-3

10. ELECTRIFICATION. Sens. Murray, Kefauver, Hill, Neuberger, Morse, and Sparkman commended the work of the late George Judson King on power developments, such as TVA and REA, and Sen. Murray inserted an article on the career of Mr. King. pp. 11907-9

Sen. Langer inserted a resolution of the James Valley Electric Cooperative opposing any increase in REA interest rates. pp. 11895-6

11. INFLATION. Sen. Bennett discussed the problem of inflation as revealed by hearings of the Senate Finance Committee and urged opposition to the view that inflation is inevitable. pp. 11909-13

12. FARM PROGRAM. Sen. Langer inserted a telegram from the officers and directors of the N. D. Farmers' Union opposing S. 4071, the farm bill recently reported by the Senate Agriculture and Forestry Committee, on the grounds that it depends too much on "the so-called free market." p. 11896



15. STATEHOOD. Reps. McCormack and Sayler expressed satisfaction over the enactment of legislation for the admission of Alaska as a State. pp. 12077-78
16. FORESTRY. Rep. Abernethy paid tribute to the work of TVA in the development and conservation of forests. pp. 12078-79
17. MARKETING FACILITIES. Rep. Byrd urged enactment of H. R. 4504, to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities. p. 12080
18. DAIRY PROGRAM. Rep. Johnson urged a review by dairy farmers and industry leaders of the dairy program recently approved by Agriculture Committee, and inserted the provisions of the proposed dairy program as it appeared in the omnibus farm bill which was rejected by the House. pp. 12081-83
19. FOREIGN AID. Received from the Deputy Managing Director, Development Loan Fund, a letter relative to the establishment of a loan of not to exceed \$1 million to the Corporacion de Obras Sanitarias de Asuncion. p. 12085
20. LEGISLATIVE PROGRAM. Rep. Albert announced that the following bills will be considered today, July 10: H. R. 13015, the military construction bill, and S. 1411, suspension of employees for reasons of security. p. 12074

#### ITEMS IN APPENDIX

21. LANDS. Sen. Neuberger inserted an editorial in support of S. 3051, the Klamath Indian Reservation purchase bill. p. A6150
22. INFORMATION; LIBRARIES. Extension of remarks of Rep. Hays, Ohio, inserting a summarization of H. R. 13140, to revise the outmoded Federal depository library laws. pp. A6151-2
23. FLOOD CONTROL. Rep. Smith inserted an editorial commending Rep. Davis for his efforts in producing a rivers and harbors flood control bill which was acceptable to the President and the Budget Bureau. p. A6156  
Rep. Rogers inserted Sen. Carlson's speech pointing up the need of a proper development of our natural resources. pp. A6168-9
24. RESEARCH. Extension of remarks of Sen. Wiley explaining the importance of "pure" research, urging expanded funds for such programs and inserting several articles on this subject. pp. A6156-8  
Extension of remarks of Sen. Wiley describing the outstanding research work being done in universities and inserting a summary of current foundation grants. pp. A6159-62
25. ECONOMIC SITUATION. Sen. Neuberger inserted an article, "Economic Education and Fiction." pp. A6158-9
26. RURAL DEVELOPMENT. Rep. Reece inserted an editorial commending Hardin County, Tenn., for the unique approach to improving themselves, and approving the rural life development program. p. A6167
27. FARM INCOME. Rep. Marshall inserted an editorial and a letter in reply from Rep. Johnson on farm prices and the recent rise of farm income. pp. A6169-70



28. COOPERATIVES. Rep. Breeding inserted a letter to the editor defending co-operatives as a necessity for the survival of the farmer economically. p. A6172
29. EXPENDITURES. Rep. Dennison inserted an editorial opposing Federal expenditures. pp. A6174-5
30. FOREIGN AID. Rep. Alger inserted his newsletter urging a more "hardheaded and self-interested" policy for foreign aid and noting that the U. S. public debt exceeds that of all other nations combined. p. A6175
31. STATEHOOD. Rep. Natcher inserted an editorial, "Forty-Ninth State A Land of Opportunity," welcoming Alaska into the Union. pp. A6178-9
32. TEXTILES. Rep. Lane inserted Seymour Harris' statement on the state of the textile industry, urging protection against imports for the weak industries. p. A6188

#### BILLS INTRODUCED

33. FISHERIES. S. 4115, by Sen. Murray (by request), to revise the Alaska game law and provide for the protection of marine mammals on and off the coast of Alaska; to Interior and Insular Affairs Committee.  
by Sen. Johnson
34. LIVESTOCK. S. Con. Res. 100, /proclaims the week of Dec. 1-6, 1958, inclusive, as National Animal Science Week, in recognition of 50 years of progress in animal science; to Judiciary Committee.  
by Rep. Blitch
35. LABOR STANDARDS. H. R. 13330, /to amend the Fair Labor Standards Act of 1938 with respect to its application to the processing of shade grown tobacco; to Education and Labor Committee.
36. MINERALS. H. R. 13334, by Rep. Edmondson, to stabilize production of copper, lead, zinc, acid-grade fluorspar, and tungsten from domestic mines; to Interior and Insular Affairs Committee. Remarks of author. p. 12040
37. FLAG. H. R. 13338, by Rep. Hosmer, to amend title 4 of the United States Code to provide a new design for the flag of the United States to be adopted upon the admission of the 49th and 50th States into the Union; to Judiciary Committee.

#### SENATE (cont'd)

38. FARM PROGRAM. Sen. Jordan submitted an amendment to S. 4071 (the Senate farm bill), to allow the rental of acreage allotments within the same county for periods not exceeding five years, without affecting the acreage history of the farms involved (July 8, 1958, C).

Sen. Talmadge submitted an amendment to S. 4071 (the Senate farm bill), to require estimates of cotton production under choice (A) to omit consideration of the additional production of the producers choosing choice (B) in the election (July 8, 1958, B).

Calendar No. 1801

85TH CONGRESS  
2D SESSION

# S. 4071

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IN THE SENATE OF THE UNITED STATES

JULY 8 (legislative day, JULY 7), 1958

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. JORDAN to the bill (S. 4071)  
to provide more effective price, production adjustment, and  
marketing programs for various agricultural commodities,  
viz:

1 On page 14, between lines 14 and 15, insert the follow-  
2 ing new section:

3 "RENTAL AND TRANSFER OF ACREAGE ALLOTMENTS

4 "SEC. 108. Section 344 of the Agricultural Adjustment  
5 Act of 1938, as amended, is amended by adding at the  
6 end thereof a new subsection as follows:

7 "“(o) (1) Notwithstanding any other provision of  
8 law, the owner or operator of a farm for which a farm  
9 acreage allotment for upland cotton is established under the

1 provisions of this section may rent, as provided in para-  
2 graphs (1) and (2), such allotment, or any portion thereof,  
3 to any other owner or operator of a farm in the same county  
4 for use in the same county.

5 ““(2) Any such rental agreement shall be made on  
6 such terms and conditions, except as otherwise provided  
7 in this subsection, as the parties thereto agree: *Provided*,  
8 That no such agreement shall cover allotments made to any  
9 farm for a period in excess of five crop years from the date  
10 of the agreement.

11 ““(3) No rental agreement shall be effective until a  
12 copy of such agreement is filed with the county committee  
13 of the county in which the acreage allotment is made.

14 ““(4) The rental of any acreage allotment, or portion  
15 thereof, shall in no way affect the acreage allotment of the  
16 farm from which such acreage allotment, or portion thereof,  
17 is rented or the farm to which such acreage allotment, or  
18 portion thereof, is rented; and the amount of acreage of the  
19 acreage allotment rented shall be considered for purposes of  
20 future State, county, and farm acreage allotments to have  
21 been planted on the farm from which such acreage allotment  
22 was rented in the crop year specified in the lease.

23 ““(5) Any farm acreage allotment, or portion thereof,  
24 rented under this subsection shall be multiplied by the per  
25 centum which the normal yield of the farm from which the



1 acreage allotment, or portion thereof, is rented is of the  
2 normal yield of the farm to which the acreage allotment, or  
3 portion thereof, is rented.

4 ““(6) The Secretary shall issue such regulations as are  
5 necessary to carry out the provisions of this subsection.’”

6 On page 14, line 16, strike out “108” and insert “109”.

7 On page 15, line 2, strike out “109” and insert “110”.

8 On page 15, line 20, strike out “110” and insert “111”.



## AMENDMENTS

Intended to be proposed by Mr. Jordan to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

JULY 8 (legislative day, JULY 7), 1958

Ordered to lie on the table and to be printed

Calendar No. 1801

85TH CONGRESS  
2D SESSION

# S. 4071

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IN THE SENATE OF THE UNITED STATES

JULY 8 (legislative day, JULY 7), 1958

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. TALMADGE to the bill (S. 4071)  
to provide more effective price, production adjustment, and  
marketing programs for various agricultural commodities,  
viz:

- 1 On page 2, line 10, after the word "year" insert "not".

7-8-58—B

85TH CONGRESS  
2d Session

**S. 4071**

**AMENDMENT**

Intended to be proposed by Mr. TALLADGE to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

JULY 8 (legislative day, JULY 7), 1958

Ordered to lie on the table and to be printed



bypass the Congress so that authorization for expenditures is not necessary? I think that is highly significant.

Mr. HIESTAND. I thank the gentleman for his request. The procedure to authorize loans or authorize funded expenditures other than direct expense appropriations, once those are authorized, they do not need to go through the Committee on Appropriations. That has been going on for a number of years. But, in recent years it has taken on a frightening aspect. That total of \$143 billion can be documented. In addition to that, we started the year with authorized drawing power on the Treasury without appropriations of over \$19 billion.

As of May 31, 1958, there were unused authorizations of nearly \$26 billion which can be drawn right out of the Treasury without appropriation.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from California.

Mr. McDONOUGH. Mr. Speaker, I want to compliment the gentleman for his observations on these very vital fiscal responsibilities of the Nation. He has been, I would say, as close a student of this particular question as any Member of the House. I know personally of the hours of time he has spent in making a study of the fiscal responsibilities that we are assuming without much thought as to what effect it will have on the future economy of the country.

My colleague from California has the background of previous business experience that stands him in good stead in discussing a matter of this kind, and he has had the response from the people of his district for his observation of these things that I think are very vital.

But one particular problem that is coming to Congress soon out of the Committee on Banking and Currency is this additional \$2 billion for community facilities providing for 50-year loans amounting to some \$2 billion. Of course, there is the feeling that this money will be repaid with interest, but it is very possible that as much as a billion dollars of that money can be outstanding and the interest on it lagging. But it is said that there is authority on the part of the Federal Government to go into a State, a county, or a city and tell them they have to pay their debt. I do not know of any example in the past where we have ever exercised that kind of authority with States, cities, or counties. This is a matter the gentleman has discussed, and I want to compliment him for the fine exposition of these things he has made.

Mr. HIESTAND. I thank the gentleman most sincerely. He is doing an able job representing his district and the country as a whole. I appreciate his kind references.

In response to his final suggestion I think we may all agree that quite contrary to the idea of the Federal Government cracking down on an overdue loan to governmental entities, it has been the custom for many years to forgive a loan that is in default to a community that is in difficulty.

Now, as to this fiscal responsibility, on June 3, the Treasury offered a \$1 billion new money issue of 27-year bonds bearing a 3½ percent interest coupon. One day later this bill was reported with a loan interest rate formula under which Federal funds would be used to buy \$2 billion of 50-year municipal bonds with an interest rate at present of only 2½ percent. That loan rate is too low. If costs of administration are added to the loss resulting from the differential between borrowing and lending rates it is apparent the Federal Government would be losing about 1 percent per year on every long-term dollar borrowed and reloaned under the program. No municipality would conduct its own financial affairs on such an unsound basis and no municipality should expect the Federal Government to do so.

Remember, we are going to have to raise the Federal debt limit; and bills like this are part of the reason why. Can Members face their constituents on this very, very important matter?

Now, then, there is this other thought. When you look at the amount involved it is stated at \$2 billion. Can we conceivably cut off at that amount when it is used up? Has it not been the history of this House over the years, and especially this particular year, that we would grant increases whenever it is needed?

What is the limit? Can we discriminate against municipalities that are late in applying? This, then, opens the door of the Treasury and wedges it open for keeps. Once started, we shall never be able to close it.

A further question is whether these are actually loans or handouts since we have established something of a precedent of forgiving debts. If this bill is passed we are going to have hundreds and hundreds of handouts from the United States Treasury. We are likely to have pressure turned on to write off these obligations. What would each Member of this House do if several communities in his own district got behind any such movement?

Mr. Speaker, this, in my judgment, is the worst measure offered so far this year, and it should be defeated.

#### INFORMATION ABOUT THE FLAG OF THE UNITED STATES IN RELATION TO ADMITTING ALASKA AS THE 49TH STATE

The SPEAKER pro tempore (Mrs. BLITCH). Under previous order of the House, the gentleman from Washington [Mr. PELLY] is recognized for 10 minutes.

Mr. PELLY. Mr. Speaker, in order to provide my constituents with accurate details regarding the flag of the United States and the proper procedure to be followed in line with the admission of a new State, I have consulted with the Legislative Reference Service of the Library of Congress and likewise with the Office of the Quartermaster General of the Army.

Now that President Eisenhower has signed into law the enabling legislation to admit Alaska into the Union, it is essential to give the public authentic in-

formation and, accordingly, I quote Public Law 829, chapter 806, section 4 (j), 77th Congress, 2d session, December 22, 1942, as to the disposition of old American flags:

The flag, when it is in such condition that it is no longer a fitting emblem for display, should be destroyed in a dignified way, preferably by burning.

Mr. Speaker, the Library of Congress informs me that many people have asked what they should do with their old 48-star flags when Alaska becomes a State and is admitted to the Union. The answer is quite simple: They may retain their 48-star flags and fly them at will. It is permissible to fly a flag with 13 stars, provided that flag was once the recognized flag of our Nation. Executive Order 2390 of May 29, 1916, stipulated that—

All national flags and union jacks now on hand or for which contracts have been awarded shall be continued in use until unserviceable, but all those manufactured or purchased for Government use after the date of this order shall conform strictly to the dimensions and proportions herein prescribed.

This applied only to flags used by the executive departments.

The Office of the Quartermaster General of the Department of the Army is responsible for the design of the flag of the United States, and not since April 4, 1818, has Congress taken any action toward the design of the flag of the United States.

Actually, I am told there is no legally appointed authority to redesign the flag. The Office of the Quartermaster General of the Army has a Heraldic Branch which designs medals, plaques, flags, and so forth, for the Army. Since this is the largest heraldic office in Government, the various recommendations of the public in regard to redesigning the flag—letters and drawings, and so forth—have been turned over to the Quartermaster's Office to be kept on file until the Congress or the President names an agency or group to redesign the flag.

Redesigning the flag will require action either by Congress or the White House to decide how it will be done. Records indicate the last time it was done was by a board headed by Admiral Dewey in 1912 when Arizona and New Mexico were admitted. The Board reported through the Secretary of the Navy and the Secretary of War to the White House. There is no record of how the Board was named, but since it reported to the White House it is assumed that the Board was named by the President.

There is no indication at the present time how the agency or group to redesign the flag will be named. However, in the public interest and to assist the business establishments who manufacture and distribute and otherwise deal in United States flags, it is desirable that a new design be promptly approved and in this connection I have written President Eisenhower urging that forthwith and with all due speed he name a non-salaried board of patriotic public citizens to redesign our flag. At this late date in the session, I do not think it



wise for Congress to undertake this responsibility which according to precedent since 1818 has become an Executive function.

Mr. Speaker, it occurs to me that it would be appropriate if both former President Hoover and President Truman were members of such a board and also various veterans and patriotic societies should be represented.

#### TALK ABOUT INFLUENCE

(Mr. WESTLAND (at the request of Mr. HENDERSON) was given permission to extend his remarks at this point in the RECORD.)

Mr. WESTLAND. Mr. Speaker, recently there has been a lot of talk about influencing some of the branches of our Government. I would like to say right here and now that I have been doing my best to influence one of our agencies on behalf of some constituents of mine.

The Bureau I have been trying to influence is the Internal Revenue Service and the constituents are a group known as the Northwest Memorial Hospital Association.

This association was formed in 1950 by a group of civic-minded citizens for the purpose of constructing a charitable or nonprofit hospital in an area of north Seattle presently located in my district. These people personally pledged themselves and bought a piece of property in the north section of Seattle consisting of 35 acres for \$35,000. Due to the rapid expansion of Seattle and consequent increases in real-estate values, this property is now worth in the neighborhood of \$176,600 and was actually professionally appraised in April for this amount. This group then tried soliciting for funds to build the hospital estimated to cost \$2,452,000, part of the cost to be financed by Hill-Burton funds. However, this attempt failed, and realizing the enormity of the task, they sought other methods by which they could raise these funds. Since the American Legion in Seattle, Wash., and the Bremerton General Hospital had successfully used a national crossword puzzle contest, it was decided to try this method. Again, these people personally guaranteed the funds necessary to start this contest. Three attempts were made and the end result was the realization of \$650,000. Now with the land, valued at \$176,000, and \$725,909.73 in cash and pledges, they felt that they were finally in a position to build the hospital with the help of Hill-Burton funds.

Now I am advised that Hill-Burton funds in the amount of \$465,000 have been allocated by the State director for this worthy project. Now you would think that everything was O. K. and a greatly needed hospital would finally be built.

But, oh, no—you know what? Now comes the IRS and says, "You owe me \$300,000 out of that \$650,000 you received from the crossword-puzzle contest." Why? Because it was an unrelated business and therefore subject to 52 percent tax. Profit motive? No. Any of these people get any money out of it? No. But it was unrelated.

Now it seems to me to be apparent that before you can build a nonprofit charitable hospital, you have first got to have some money—so go out and try to raise it. No hiding what it is for or anything like that—on the contrary, it is out front for all to see.

But you know what they say? It is unrelated.

Further, they say if you had built half the hospital and run out of funds, then it would be O. K. How about if you had just dug the basement and then run out of money? This association of people had cleared the land in preparation for the hospital, had plans and specs drawn, had studied hospitals in other locations in order to get the best plans. It is unrelated.

Well, just let me say this. In my opinion, it is completely unrelated for one agency of the Federal Government to take away with one hand, and on the other hand for the same specific purpose to give.

Influence? I wish I had more, for if I did I would use it to correct what I believe is wrong.

#### SHALL WE CUT THE FARMERS' INCOME IN HALF?

Mr. JOHNSON. Mr. Speaker, I was disappointed last week when this House refused to take time to debate, consider, and pass on a proposal of our Committee on Agriculture that would have improved the existing farm program in many significant respects. I know our action was taken in the shadow of the Presidential veto earlier this year and under the threat of a veto of the proposal that was up for consideration last week.

To accept defeat of our efforts to improve the farm program is disappointing enough. But now a real threat to the future of the family farm has come to life in the other branch of the Congress.

Because I feel this development may have escaped the attention of my colleagues in the House, I wish to urge their study of the deeper long-term implications of the price support bill that has been reported to the Senate. This bill contains the most conservative and backward-looking proposals relating to farm income protection of any advanced in the Congress in more than 30 years. I am convinced that if they are put into effect, farm incomes will be cut in half. Shall we cut the farmer's income in half? That is the question I hope you will keep in mind as you consider the rest of my remarks.

The Senate Agriculture Committee bill proposes to turn back the clock to the time when the Federal Government was completely callous to the economic distress of farmers that results from their lack of bargaining power in the market. The Senate bill contains proposals that if placed into effect would turn farmers back to the same economic conditions that lead to the great depression of 1930 to 1932. To enact the bill now before the Senate would be the same treatment for farmers as if this Congress repealed the minimum wage law and the protections of collective bargaining the labor

relations acts would be for labor. To return farmers to the completely free market, as the long range provisions of the Senate bill do, would be like repealing the limited liability law protecting corporations.

The new bill abandons the entire concept of parity on which our farm programs have been based for nearly 30 years. Instead of parity as the measuring stick of fair farm prices, the proposal before the Senate establishes 10 percent below the market price as the support level for cotton, rice, corn, and other feed grains. To add insult to injury, the proposal is worded in slick Madison Avenue terms of supports at 90 percent of the average market price for the preceding 3 years instead of more honestly stating supports would be at 10 percent less than the 3-year average market price. By such devious means do they seek to trap the support of the unwary friend of the farmer who legitimately endorses 90 percent of parity as a worthwhile goal and fails to note this is 90 percent not of parity, but of the average market price for the preceding 3 years.

Beginning in 1959 this cutrate standard would be applied to corn and the feed grains, and application of the standard to rice and cotton would be delayed for only 2 years.

When asked reasons for this delay, the proponents of this proposal told our House Agriculture Committee that rice and cotton producers are not yet ready to accept the free-market support level. But with 2 years of additional education and propaganda, they could probably be brought to accept supports based upon a standard 10 percent below the average market price in the preceding 3 years, we were told.

As important as are the price support cuts included in the bill before the Senate, even more important is the fact that the bill makes a complete reverse in the fundamental principles of the farm program.

The Senate bill does not contain any provisions for the dairy program. Maybe we are fortunate that it does not, if the major purpose of the bill is to weaken and largely destroy the fundamental basis for the program.

However, even though the backward proposals embodied in the bill are not applied to milk and dairy products, we can be sure if this proposal is adopted for such important commodities as cotton, corn, and rice that sooner or later it will become economically and politically impossible not to apply the same reactionary program to milk and dairy products.

Application of the Senate bill formula to manufacturing milk and butterfat, that is supports at 10 percent below the average market prices of the previous 3 years, would mean that the price supports and market prices of manufacturing milk and butterfat would be allowed to drop rather sharply over the next few years to the free market clearing level. Farmers would be prevented from using marketing quotas or any other self-help machinery to bring market supplies into reasonable balance with demand. The Senate bill abolishes the



corn supply management completely and seriously weakens the programs for both rice and cotton.

Applying these same principles to manufacturing milk and butterfat, as they sooner or later would be applied, would mean that the price of butterfat would be allowed by the Federal Government through its price support program to drop to the oleomargarine price. The support level would float down 10 percent from the moving average market price each year until it rested 10 percent below the wholesale market price of oleomargarine. This would be a drop from current supports of 56.8 cents per pound to not more than 18 cents per pound. Similarly the price of milk used for manufacturing in the United States would drop to a level at which United States dairy products would sell in European markets at a lower price than dairy products from other exporting countries minus the freight charge required to get our products to Europe.

Mr. Speaker, I do not mean to be an alarmist, I have not publicly attacked the 10 percent below market support theory as long as it was not being seriously considered by responsible groups in the Congress. But now that this ultra-conservative proposal has been given the stature of approval for major commodities by the Senate Committee on Agriculture, I feel that I can no longer be silent. I feel that I have a responsibility to my colleagues in the House and to the dairy farmers in my district and State to alert them to the long-term implications involved in the Senate bill. I hope, of course, that the bill will be amended and improved on the Senate floor. I hope the Senate refuses to follow this backward movement to put farmers on the unprotected free market. I am hoping the House will not be called upon to take action on this bill.

As attractive as temporary increases in rice, cotton, and corn acreages may seem in the shadow and threat of a veto, we should not be led to take action which would in significant ways completely destroy all basic vestiges of the Federal farm income protection programs.

The Federal farm program over the past 4 years, as grievously as it has been weakened by the administration, still accounted for 44 percent of total national farm family operating net income in 1955. If these programs are destroyed by eliminating their parity base and return to the unprotected free market, we can expect a national average farm family income below \$1,200 per year instead of the \$2,400 per year under existing programs. We should be moving toward enabling farmers to earn and receive incomes something closer to the national average non-farm income of nearly \$6,000 per year per family. Certainly we should not act consciously to approve legislation with built-in economic and political time bombs that will further reduce farm income by 50 percent.

#### UNITED STATES NAVY'S BARRIER WARNING SYSTEM

Mr. HOSMER. Mr. Speaker, from Alaska far out into the Pacific Ocean

and from Newfoundland more than a 1,000 miles out into the Atlantic stretch a pair of imaginary lines never shown on any commercial map, but nevertheless as realistic as today's H-bombs. Termed the Pacific Barrier and the Atlantic Barrier, respectively, these two lines serve as mammoth radar screens with just one objective: to prevent a surprise attack on the coastal cities of North America.

They are patrolled constantly by the Navy's huge, radar-equipped Super Constellation aircraft and its versatile radar picket ships. Together with the Air Force's Distant Early Warning Line, the two oceanic radar barriers complete a protective detection shield that circles from islands in the mid-Pacific across the northern perimeter of Canada and down to the general vicinity of the Azores Islands in the Atlantic.

The mere presence of this endless marathon of vigilance acts as a deterrent against hostile forces by eliminating from any planned attack the element of surprise. Furthermore, unlike the fixed DEW line, the two oceanic barriers, manned by mobile units, can be moved at any time in any direction to keep a potential aggressor guessing as to their whereabouts.

The sailors who fly the aircraft and sail the picket ships maintaining this network of radar, scanning constantly the air and seafarers of the two greatest oceans on earth are among the most extensively trained men in the United States Navy. The undisclosed number of planes and ships which continually patrol these two radar webs contain some of the most complex electronics apparatus designed to date.

Commanding the Atlantic extension of the barrier from headquarters at the United States Naval Station, Argentia, Newfoundland, is a friendly, capable 46-year-old Paterson, N. J., naval officer, Capt. Paul Masterton, United States Navy. Masterton's mobile seaborne and airborne radar network stretches from Newfoundland far southeast toward the Azores Islands. His aircraft have been on patrol in the air, and his ships have been on station at sea constantly for over 2 years. Nothing but the worst of arctic weather moves them even for a moment from strict and carefully calculated schedules.

Typical of the dedicated officers and men who carry out the difficult work of Masterton's Airborne Early Warning Wing is Capt. Robert C. Lefever, United States Navy, commanding officer of Airborne Early Warning Squadron 11, at Argentia. A Whittier, Calif. native, Lefever has worn the gold wings of a naval aviator almost 20 years. A 1937 graduate of the University of Southern California and former All-American football player, Captain Lefever's job now is the prevention of another such surprise attack upon America as he experienced at Pearl Harbor, December 7, 1941.

His squadron, as do all others in the difficult airborne early warning business, flies Radar Super Constellation, or WV2s in Navy terminology, each containing a labyrinth of electronics gear weighing more than 6 tons. Even in sub-zero winter temperatures, the WV2's

cabin must be air-conditioned to offset the heating effect of all the electronics equipment it contains.

From the antennas on these planes the searching radar beams probe outward to sweep 45,000 square miles every revolution.

When a "bogey," or unidentified flying object, shows up on the radar scopes inside the aircraft's Combat Information Center, it is rapidly evaluated and plotted. The trained technicians at the radar consoles quickly calculate the bogey's speed, altitude, bearing, and exact position.

This data is then immediately relayed to one of the pair of operational control centers on each coast. In the Pacific these centers are located at Hawaii and Adak, Alaska; in the Atlantic, at Norfolk, Va., and Argentia, Newfoundland, which is the western anchor of the Atlantic barrier.

There in these nerve centers the information is compared with flight plans and position reports of friendly aircraft known to be crossing the barriers. If the radar contact cannot be identified by the operational control centers, then the Nation's defense system is promptly alerted.

The entire chain of action, from first contact with a bogey to the possible alerting of NORAD interceptor forces, requires only a handful of minutes.

In addition to the latest radar equipment, both the planes and the ships are furnished with complex electronics countermeasures apparatus, more commonly referred to as ECM. These ECM instruments can detect radar and other electronic signals and even locate the source of the signals. But beyond that basic description of ECM operations, the Navy is keeping silent for security reasons.

Flying with the WV-2's crew on each roundtrip over the barriers are a pair of highly trained electronics maintenance technicians who can accomplish in flight more than 60 percent of all radar repair work required. From the cabin they have access to both the 7½-foot radar fin protruding above the long, bony Super Constellation fuselage and the pot-bellied radar dome hanging below it.

In the cockpit of the 70-ton WV-2 the pilot is also equipped to combat almost any mechanical emergency. For instance, the flight engineer who serves as his right-hand man could determine for him within seconds which one of the 144 spark plugs in the 4 engines was misfiring, if such would be the case.

To keep its radar sentries in the sky, the barrier patrol has achieved the unique position of being practically the only air operation in the world that flies regardless of weather conditions. In Newfoundland winds can and do reach 100 knots. Snow may reduce visibility to almost nil. But the chain of barrier flights must remain unbroken to provide maximum surveillance of the early warning barriers.

One copilot sums up the weather situation bluntly: "If we can taxi, we fly."

Even better equipped than the WV-2's are the converted World War II destroyer escorts patrolling the two barriers as the surface segment of the air-



and-sea radar team. The radar picket ships strung out along the two barriers halfway around the world from each other possess, besides their radar and ECM devices, sonar (sound navigation ranging) equipment to detect submarines under water. And they have the armament with which to reply to an enemy attack.

The ships, especially those in the North Atlantic, also encounter an obstacle in the unpredictable weather conditions. However, despite ice, lightning, winds, towering waves, and overcast skies, boredom remains the greatest hazard to the barrier patrols. Long, tiresome flights and the cramped spaces of the picket ships are natural breeders of boredom when the results of the men's efforts are always negative; yet so long as the results continue to be negative the mission is being accomplished. These men on the barriers know they can't afford to relax.

Adm. Jerauld Wright, commander in chief, United States Atlantic Fleet, evaluates the Navy's endless watch over the world's two largest oceans by stating:

"I desire to reaffirm the crucial importance of the arduous tasks performed by the men who man the ships and planes in this advance echelon of vigilance. The outstanding manner in which the job is done engenders the keenest admiration for the spirit, perseverance and devotion of all hands participating in this vital national defense mission."

I flew the Atlantic barrier on July 4, saw these men at their stations, and endorse Admiral Wright's every good word regarding our naval officers and men who carry on this vital mission for the protection of America. The Nation is indeed fortunate that men of such ability and devotion will, 24 hours a day, day after day, week after week, month after month, year after year, carry on this sometimes dangerous, always difficult work, so their fellow countrymen may live a little more securely in these times of peril.

#### ACTIVITIES OF COMMITTEE ON POLITICAL EDUCATION IN IDAHO

Mr. BUDGE. Mr. Speaker, the State of Idaho has for many years been almost free of serious labor disputes and the ills resulting therefrom. The decisions of union labor in Idaho have been made by union members and officers of long-time residence in the State.

About 2 years ago, a new element called COPE was imported into the State. No one paid much attention to COPE until quite recently when some of its principles, objectives, and methods started to become known. For example, no one ever thought much about whether a committee on political education would have a constitution and most everybody assumed that if COPE had one it would follow the principles of the Constitution of the United States and simply provide the rules under which COPE would operate. No one had any thought that the constitution of COPE would prohibit or at least discourage a union member

from running for a public office unless by sufferance of COPE. No one thought it would be proper or even legal for COPE to mail the political brochures of candidates for public office with appropriate inserts. No one thought that these people called COPE, who are strangers to Idaho and to Idaho's Democratic Party, would in a primary campaign be picking the candidates on the Democratic ticket for governor and for the congressional seats. In fact, I guess, no one really thought much about COPE; but the following article should make everyone in Idaho and everyone in the Nation give thought to COPE. The union men and women whose involuntary payments go to support it should be more concerned than anyone else, that is more concerned than anyone else except the Members of this Congress who have a clear duty to perform for American labor and for the American people generally.

The article which follows appeared in the Idaho Daily Statesman, published at Boise, Idaho, on Wednesday morning, July 2, 1958. It was written by John Corlett, a newsman of unquestioned ability and integrity with many years of experience. The facts set forth by Mr. Corlett were subsequently checked and doublechecked by the wire services and other news agencies and their correctness is unquestioned. The only individual listed in the article who is not identified is John Glasby, who just resigned as State chairman of the Democratic Party and is currently a candidate for that party's nomination for governor in the primary election which will be held more than a month hence, on August 12, 1958.

It would be interesting to know the details of the operation of COPE in other States, and it certainly should be interesting to union members to know that they have to pass the tests set up by COPE before they can exercise the right of every citizen of this Nation to offer himself as a candidate for public office. The Robert Lenaghan referred to in Mr. Corlett's article filed as a candidate for Democratic nomination to the Idaho State Legislature. One wonders who graded Mr. Lenaghan's paper when he passed the test which Mr. Dyer failed.

Mr. Corlett's article follows:

POLITICALLY SPEAKING

(By John Corlett)

The Idaho State Federation of Labor has requested that Glenn Dyer of Blackfoot, former business representative of Pocatello, Local 648, of the Plumbers and Fitters Union, withdraw as a candidate for the Democratic nomination as second district Congressman.

This unusual state of affairs was disclosed Tuesday to this reporter by Dyer and confirmed by Darrell H. Dorman, secretary-treasurer of the Idaho State Federation of Labor.

And the reason Dyer was asked to withdraw as a candidate was because he had not conformed with the constitution of COPE (committee on political education of the AFL-CIO) by asking the proper committee of COPE whether he should seek the nomination in the first place.

Dyer said he resigned from his union job when he announced his candidacy for the second district post last spring.

Not only did the executive board of the Idaho federation turn thumbs down on

Dyer, but it inferentially, at least, put its blessing on Tim Brennan of Pocatello, for the Democratic second district nomination. Minutes of the meeting at which Dyer was formally requested to withdraw his candidacy, show a favorable tone for the candidacy of John Glasby for the Democratic nomination as Governor.

Dyer told me he had been called to a meeting held Sunday, June 22 at the Labor Temple in Boise where candidates for the second district were to be discussed. He said he had been told that COPE would start financing him if I would go along with them all the way. Dyer said he told Robert Lenaghan, president of the Idaho Federation and chairman of the executive committee, and C. Al Green, western director of COPE, that he was not interested in making a deal.

Dorman said "we did not ask Mr. Dyer to make any deal and he knows that."

In any event, the minutes of the June 22 meeting, supplied to this reporter by Dyer, shows that the executive board did discuss Democratic second district candidates.

Tim Brennan was introduced, according to the minutes, and gave a brief explanation of the program he was setting up and stated that he felt a man must be nominated who would be able to beat Hamer Budge in the forthcoming campaign. He stated to the group he would wage an active campaign with the view of beating Hamer Budge in the Second Congressional District race.

Lenaghan told the board that Glenn Dyer, the other favorable candidate for the congressional seat, had been invited to the meeting and should be there.

The minutes read that no action on the Second Congressional District would be taken until the last order of business before adjournment.

Dyer told me that after he talked to Lenaghan and Green he left the labor temple. Dorman said Dyer was invited to the meeting and he did not put in an appearance.

Then came the motion to request Dyer to withdraw from the congressional race due to the fact that he didn't comply with the COPE constitution before filing for the election.

The resolution as drafted cited that portion of the COPE constitution as follows: "Any AFL-CIO member has the same right as any other American citizen to run for public office. However, any AFL-CIO member running for public office who desires COPE endorsement should, before filing his nomination, meet with the proper committee of COPE and discuss the advisability of his running, and any other matters connected with his campaign. Failure to follow this procedure will preclude an endorsement to such AFL-CIO members."

The resolution went on to say that "we believe Glenn Dyer to be a sincere, dedicated union officer, committed to the principles, aims, and objectives of organized labor," but did not believe "Brother Dyer's candidacy would be in the best interests of the Idaho labor movement."

Dyer, who owns and operates a farm near Blackfoot and was in the machinery business before he became a union official said, "I don't have to sell out to the union or anyone else. I may not win, but believe me I will sleep good," adding, "What burns me up is that they expect me to come and make a deal with them before they tell me they will support me. I was the only labor man on the ticket. I don't see why I should have to meet with any 'proper committee' of COPE."

"I am not throwing the worker over by not going along here, but I can't go along with these big boys. I am for the Idaho worker and not the international worker, I'm still for the union, but I would go for a right-to-work bill if it was right; one that was not too restrictive against the union."

Dyer said he will finance his own primary campaign, "but I have had some help from







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 11, 1958  
For actions of July 10, 1958  
85th-2d, No. 115

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HIGHLIGHTS: Senate committee ordered reported trade agreements extension bill.

## SENATE

1. TRADE AGREEMENTS. The Finance Committee ordered reported with amendments H. R. 12591, the proposed Trade Agreements Extension Act of 1958. The Daily Digest reported the following analysis of changes made in the bill by the committee:

Extends the President's authority for 3 years (House proposed 5 years);  
Authority to reduce tariffs 5% in a year to maximum of 15% (House proposed 10% annually, 25% total);

Tariff Commission decision final unless the President's disapproval is confirmed by a majority vote of Congress, affirmative decision of Commission prevails in tie votes, and conflicting recommendations resolved by President's decision as to which provided the greatest relief;

Establish a 9 member Commission (3 each from the President, the Senate, and the House) to study the international trade agreement policy of the U. S. pp. D658-9

Sen. Thurmond inserted his statement and letters from a plywood manufacturer and a textiles firm, on the Trade Agreements Act extension bill. He urged two amendments to extend the act for only 2 years and allow reductions of no more than 10%, and to require Congress to confirm the President's refusal to sustain Tariff Commission recommendations. pp. 12123-5

2. MINERALS. Began debate on S. 4036, to provide stabilization payments to certain minerals producers. pp. 12108-13, 12126, 12127-53
  3. BUDGETING. The Appropriations Committee was granted 10 more days to file a report on H. R. 8002, the accrued expenditures budgeting bill. p. 12108
  4. FARM PROGRAM. Sen. Proxmire submitted two amendments to be proposed to S. 4071, the Senate farm bill. One amendment would add a Dairy Products Marketing Act similar to that he proposed earlier in S. 2952. The other amendment would add a Dairy Stabilization Act as proposed by the National Milk Producers' Federation. p. 12094
  5. PERSONNEL ETHICS. The Post Office and Civil Service Committee reported without amendment H. Con. Res. 175, proposing a Code of Ethics for Government service (S. Rept. 1812). p. 12093
  6. WATER DEVELOPMENT. The Judiciary Committee reported without amendment S. 3987, granting the consent of Congress to the Tennessee-Tombigbee Waterway Development Compact (S. Rept. 1826). p. 12093  
Sen. Johnson inserted a report, "Water Developments and Potentialities of the State of Texas," prepared by the Army Corps of Engineers, Bureau of Reclamation, SCS, and the Texas Board of Water Engineers. He stated that the report opens the way for developing a water plan for Texas' water resources development. pp. 12090-2  
Received from the Budget Bureau plans for works of improvement on Mill Creek, Ga.; Obion Creek, Ky.; Muddy Creek, Miss. and Tenn.; and Dry Devils River and Lowrey Draw Upper Lake Fork Creek, Tex. p. 12092
  7. CIVIL DEFENSE. The Armed Services Committee ordered reported with amendments H. R. 7576, to amend the Federal Civil Defense Act of 1950 so as to permit the expansion of the civil-defense activity of the Federal Government to assume more responsibility for the national program. p. D658
  8. HUMANE SLAUGHTER. Sen. Monroney inserted 14 editorials urging the Senate to act on the humane slaughter bill. pp. 12153-5
  9. RECREATION. Sens. Anderson, Neuberger, Watkins, and Barrett were appointed to the National Outdoor Recreation Resources Review Commission. p. 12126
  10. STATEHOOD. Sen. Javits urged action to admit Hawaii into the Union during the 85th Congress and inserted an editorial, "Hawaii's Turn." pp. 12096-8  
Sen. Payne inserted his statement and Sen. Pastore spoke, commending the efforts of Ernest Gruening in achieving Alaskan statehood. pp. 12105-6  
Sen. Allott urged admission of Hawaii into the Union and discussed with Sens. Watkins and Mansfield the hope of considering such a bill in this session of Congress. pp. 12156-7  
Received a resolution from the Maui County Board of Supervisors, Hawaii, urging enactment of legislation to admit Hawaii into the Union. p. 12093
  11. EDUCATIONAL EXCHANGE. Received from the U. S. Advisory Commission on Educational Exchange a report for the first six months of 1958. p. 12092
- HOUSE
12. SMALL BUSINESS. Agreed to the conference report on H. R. 7963, to make the Small Business Administration a permanent agency and to increase the SBA loan authority. As agreed to, the bill declares it to be the policy of



Calendar No. 1801

85TH CONGRESS  
2D SESSION

# S. 4071

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IN THE SENATE OF THE UNITED STATES

JULY 10, 1958

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. PROXMIRE to the bill (S. 4071)  
to provide more effective price, production adjustment, and  
marketing programs for various agricultural commodities,  
viz: Add the following new title to the bill:

1 TITLE IV—DAIRY PRODUCTS MARKETING ACT  
2 OF 1958

3 Section 201 of the Agricultural Adjustment Act of 1949,  
4 as amended, is amended by adding at the end thereof the  
5 following:

6 “(d) Notwithstanding any other provision of law, the  
7 Secretary shall, through the Commodity Credit Corpora-  
8 tion, by means of payments, purchases, or other methods,  
9 support the price to producers of butterfat and milk used in  
10 manufactured dairy products at not less than 80 per centum

1 of the parity equivalent price during the marketing year  
2 ending March 31, 1959, and at not less than 90 per centum  
3 of the parity equivalent price of manufacturing milk, to be  
4 calculated as the parity price of butterfat, and 88 per centum  
5 of the parity price of all milk wholesale, respectively, during  
6 the marketing years ending March 31, 1960, March 31,  
7 1961, and March 31, 1962: *Provided*, That the total amount  
8 of payments to producers for any marketing year shall not  
9 exceed by more than \$100 million an amount equivalent  
10 to the total amount of compliance deposits forfeited by pro-  
11 ducers in the same marketing year and any excess of such  
12 forfeited compliance deposits of previous years not used for  
13 making price support deficiency payments in such years, less  
14 costs of purchases to fulfill Government distribution programs  
15 not normally charged to other Government appropriations,  
16 excepting appropriations for price support purposes. Price  
17 support as authorized in this subsection shall be accomplished  
18 by the Secretary by the purchase of the products of manu-  
19 facturing milk and butterfat, or payments, or a combination  
20 of the two methods, except that the purchase method is to be  
21 used by the Secretary to fulfill Government distribution pro-  
22 gram requirements and as an adjunct to payments in such  
23 manner as to so correlate the market prices of manufactured  
24 dairy products that prices to producers for milk and butter-

1 fat used in the different manufactured dairy products are  
2 maintained in a normal relationship to each other:

3 "TITLE VI—MILK

4 "Provided further, That price support may be accom-  
5 plished by use of the product-purchase method alone if the  
6 Board and the Secretary find that surpluses, during any mar-  
7 keting year established under this section, will be of such  
8 minor magnitude as not to warrant a payment-quota  
9 program.

10 "(1) Not later than March 1 of each calendar year,  
11 the Federal Dairy Board (hereinafter referred to as the  
12 "Board") shall estimate and determine for the marketing  
13 year starting in that calendar year the average market price  
14 of milk used in manufactured dairy products which would be  
15 received by farmers in the absence of any Federal price-  
16 support operations. If the Board determines that such price  
17 will be less than 90 per centum of the probable parity equiva-  
18 lent price therefor, it shall establish as a condition of eligi-  
19 bility for price-support payments for such marketing year a  
20 requirement that producers comply with such marketing  
21 quotas as may be established for each individual dairy farm.

22 "(2) The national marketing base for milk and butter-  
23 fat shall be the average annual marketings of milk and milk  
24 equivalent in the first three of the immediately preceding



1 four marketing years and shall be distributed by the Board  
2 to States, counties and individual producers with full regard  
3 for the several provisions of this subsection. The Board shall  
4 establish a base for each producer desiring to market milk  
5 or butterfat. Bases shall be assigned to producers, and not  
6 to herds or farms. The Board shall provide by rules or reg-  
7 ulations for the transfer of bases in whole or in part, for the  
8 assignment of bases to new producers, for the equitable ad-  
9 justment of bases to avoid hardship, for such other adjust-  
10 ments consistent with the objectives of this Act as it deems  
11 appropriate, including adjustments for deficit production  
12 areas, and for such other matters as may be necessary or  
13 appropriate to set up and operate effectively and efficiently  
14 the program herein authorized: *Provided*, That an area may  
15 be exempted from quotas for any year because of deficit  
16 production upon a determination and finding by the Board  
17 that the area does not produce sufficient milk to meet the  
18 market requirements for fluid milk for consumers in the area  
19 and has no reasonably satisfactory alternative source of sup-  
20 ply available to it, except that an area which limits or re-  
21 stricts the entry of milk of suitable quality from other areas  
22 shall not be exempted from quotas. In establishing such  
23 bases, the Board shall take into consideration historical pro-  
24 duction, trends, abnormal production during the historical  
25 period, and such other factors as may be appropriate to es-

1    establish such bases in an equitable and practical manner.  
2    Bases established by the Board shall continue in effect from  
3    year to year, but such bases shall be subject to modification  
4    and adjustments from time to time.

5        “(3) When marketing quotas are required under pro-  
6    visions of paragraph (1) above the marketing quota for  
7    each farm shall be calculated by deducting not to exceed  
8    2 per centum from the farm marketing base for each 5 per  
9    centum by which the Board estimates that the average mar-  
10   ket price of milk used in manufactured dairy products would  
11   be below 90 per centum of the parity equivalent price, in  
12   the absence of any Federal price support operations.

13        “(4) When marketing quotas are required, compliance  
14   deposits of not less than 25 cents nor more than 50 cents  
15   per hundredweight of milk, as determined by the Board to  
16   be the amount required to encourage compliance with mar-  
17   keting quotas, shall be withheld from and shall be collected  
18   from each producer who sells milk, butterfat, or dairy prod-  
19   ucts. Every person purchasing milk, butterfat, or dairy  
20   products from a producer (except purchases by consumers  
21   for other than commercial uses) shall withhold from the  
22   purchase price an amount equal to the compliance deposit  
23   and shall remit the same to the Commissioner of Internal  
24   Revenue. For the purposes of this section, milk, butterfat,

1 or dairy products delivered by a producer to a cooperative  
2 association of producers shall be subject to the withholding  
3 of the deposit upon such delivery. Returns shall be filed  
4 and remittances made monthly by such purchasers in accord-  
5 ance with rules prescribed by the Commissioner. The Com-  
6 missioner of Internal Revenue shall collect the compliance  
7 deposits provided for herein and shall prescribe such rules  
8 and regulations as may be necessary to accomplish that  
9 purpose. Compliance deposits collected shall be credited  
10 to a special account of the Secretary of Agriculture to make  
11 refunds to milk producers who comply with marketing  
12 quotas as provided herein. The Secretary of Agriculture,  
13 annually prior to July 1 following the close of the imme-  
14 diately preceding marketing year, shall issue drafts on such  
15 special account to refund to each producer who complies  
16 with his marketing quota the entire amount of the compliance  
17 deposit withheld from such producer. The Secretary shall  
18 release to the Treasurer of the United States the total of  
19 compliance deposits of each producer who exceeded his  
20 marketing quota.

21 “(5) A price-support deficiency payment shall be paid  
22 on all sales of milk and butterfat for manufacturing to each  
23 individual producer who complies with his marketing quota  
24 and shall be such as, within the limitations of the second  
25 proviso of the first sentence hereof, the Secretary determines



1 to be sufficient, when added to the average price received by  
2 producers for milk and butterfat used for manufactured dairy  
3 products, to equal a total return of not less than the support  
4 level established pursuant to this subsection for milk and  
5 butterfat used for manufactured dairy products on milk  
6 sold for manufacturing purposes. Such payments shall be  
7 made to producers prior to July 1 next following the close  
8 of the marketing year. The Secretary shall calculate the  
9 monthly average net price received for milk and butterfat  
10 used in manufactured dairy products, using the price at the  
11 point of first sale out of the producers' hands. A producer  
12 who sells milk under the terms of a Federal milk order and  
13 who complies with his marketing quota shall be eligible for  
14 a payment on milk diverted into manufactured dairy products.

15 “(6) In December 1958, the Secretary shall conduct a  
16 nationwide referendum of milk producers to determine  
17 whether those voting approve the provisions of this sub-  
18 section. If more than one-half of the producers voting in  
19 the referendum oppose this subsection, this subsection shall  
20 not be placed into effect and the price-support operations of  
21 the Secretary under subsection 201 (c) of the Agricultural  
22 Act of 1949 with respect to milk and dairy products shall  
23 remain in effect. The Secretary shall conduct the referendum,  
24 prescribing such rules and regulations as may be necessary.  
25 Only milk producers shall be eligible to vote. Any milk

1 producer shall have only one vote and shall vote as an indi-  
 2 vidual, rather than as a business entity. The ballot shall be  
 3 in the following form:

---

“UNITED STATES DEPARTMENT OF AGRICULTURE

“OFFICIAL BALLOT

“NATIONAL REFERENDUM OF MILK PRODUCERS

---

Mark this square if you favor—

- Establishment of a dairy income protection program, utilizing deficiency payments, compliance deposits, and marketing quotas
- ☐ based on 90 per centum of the parity equivalent price, in addition to Government purchases, storage and diversion as provided in the Agricultural Act of 1958.

---

Mark this square if you favor—

- Continuation of price support utilizing Government purchases,
- ☐ storage and diversion with support at 75 to 90 per centum of the parity equivalent price, as provided by section 201 (c) of the Agricultural Act of 1949.
- 

4 “The price-support operations of the Secretary under  
 5 subsection 201 (c) of this Act with respect to milk and  
 6 dairy products shall be suspended after the first six months  
 7 during which this Act shall be in effect, and remain sus-  
 8 pended during any subsequent marketing year during which  
 9 this Act shall be in effect.

10 “FEDERAL DAIRY BOARD

11 “(7) There is created in the Department to make the  
 12 determinations and perform the functions provided in this  
 13 subsection, a Federal Dairy Board consisting of fifteen mem-  
 14 bers to be appointed by the President after receiving  
 15 nominations from milk producers as provided herein. Only

1 persons who are milk producers shall be eligible to serve on  
2 the Board. There is authorized to be appropriated such  
3 sums as the Board may require for carrying out its functions  
4 and duties as provided in this Act.

5 “(A) In order to secure appropriate regional repre-  
6 sentation on the Board, the United States shall be divided  
7 into fifteen Federal dairy districts to be designated by the  
8 Secretary. In designating such districts, the Secretary shall  
9 give consideration to (1) complete geographical representa-  
10 tion of the United States and (2) the designation of dis-  
11 tricts, so that districts will be areas having equal annual  
12 sales of milk and butterfat, as nearly as possible without  
13 dividing any county into two or more districts.

14 “(B) Each Federal dairy district shall be assigned one  
15 place on the Board. The milk producers in each district  
16 shall by ballot select three nominees for the place on the  
17 Board assigned to their district. Each milk producer shall  
18 be entitled to submit three names for nominees for the place  
19 on the Board to be filled from his district. The three candi-  
20 dates receiving the highest number of votes for nominee for  
21 each respective place on the Board shall be the nominees  
22 for appointment to such place. The Secretary shall con-  
23 duct an election of nominees between January 1 and  
24 January 15, 1959, and shall conduct any subsequent elec-  
25 tions for the selection of such nominees, prescribe such rules



1 and regulations as he may consider necessary in the adminis-  
2 tration of the duties assigned herein, determine all questions  
3 involving the qualifications of such nominees, members of  
4 the Board, or milk producers, resolve all tie votes for such  
5 nominees, and certify such nominees to the President. The  
6 decision of the Secretary in all such matters shall be final.  
7 The nominee so selected for each place on the Board shall  
8 be received by the President, who shall appoint the nominee  
9 to the place on the Board for which such nominee was  
10 selected.

11 “ (C) Terms of Board members shall expire on June 30,  
12 1962. Board members may be removed for cause or ineligi-  
13 bility by the President. Vacancies on the Board shall be  
14 filled for the unexpired terms by appointment by the Presi-  
15 dent, in the manner herein prescribed for the appointment of  
16 members for a regular term. Vacancies on the Board shall  
17 not impair the power of the remaining members to exercise  
18 all the powers of the Board, except that in no event shall the  
19 Board be empowered to act unless eight or more places on  
20 the Board are filled. Each member of the Board, other than  
21 the Secretary or the Secretary's representative, shall receive  
22 a per diem of \$50 for each day's attendance at meetings of  
23 the Board and while traveling to and from said meetings,  
24 together with actual, necessary travel subsistence, and other  
25 expenses incurred in the discharge of his official duties with-

1 out regard to other laws with respect to allowances which  
2 may be made on account of travel and subsistence expenses  
3 of officers and employed personnel of the United States. The  
4 Secretary, or an official of the Department designated by  
5 him, shall be an ex officio member of the Board. He shall  
6 meet and confer with the Board but shall not be entitled to  
7 vote.

8 “(D) The Board shall meet as soon as practicable  
9 following their initial appointment, and thereafter, annually  
10 on the second Monday in December and at other times upon  
11 the call of the Chairman. In addition, special meetings of  
12 the Board may be called at any time by a majority of the  
13 members of the Board in office, or by the Secretary. The  
14 Board shall meet at least once in each calendar quarter of  
15 each year. In addition the Board shall meet in special  
16 session within the first ten days of any month following any  
17 month in which the national average price received by  
18 farmers for manufacturing milk or butterfat was below 90  
19 per centum of the parity equivalent price. At all regular  
20 and special meetings the Board shall make the determina-  
21 tions and take the action provided in subsections (1), (3),  
22 and (4) with respect to the remainder of the marketing  
23 year.

24 “(E) The Chairman of the Board shall be selected  
25 by the Board. He shall hold office for a term of one calendar

1 year and until his successor shall have been selected and shall  
2 have taken office. Vacancies in the office of the Chairman  
3 of the Board shall be filled for the unexpired term by the  
4 Board.

5 “(F) A majority of the members of the Board in office  
6 shall constitute a quorum, and action may be taken by a  
7 majority vote of those present at any regular or special  
8 meeting at which a quorum is present. The findings and  
9 determinations of the Board made under the authority of  
10 this section shall be final and conclusive. The Board may  
11 adopt, alter, and use an official seal which shall be judicially  
12 noticed. It may adopt rules and regulations governing the  
13 manner in which its business may be conducted and its powers  
14 may be exercised.

15 “(G) The Federal Dairy Board is directed, in addition  
16 to its other duties, to cause to be made a comprehensive  
17 study of the production and marketing of manufacturing  
18 milk, including producers’ costs of production, prices re-  
19 ceived by farmers, areas of production, the relationship be-  
20 tween changes in the farm price of butterfat and milk for  
21 manufacturing and changes in the volume of market supply  
22 of each commodity, the relationship between changes in  
23 national income and changes in the volume of consumption



1 of manufactured dairy products, marketing and processing  
2 spreads, relationship between prices received by farmers for  
3 milk used for fluid consumption and that used for manufac-  
4 turing, returns to milk producers on capital investment and  
5 labor relative to other farmers and other segments of the  
6 national economy, and trends in these factors. The costs  
7 of production shall be determined through an audited cost  
8 accounting survey of typical dairy farms in each region cov-  
9 ering all costs of production on the farm attributable to milk  
10 production, with hired and family labor assigned a cost  
11 computed on the basis of wage rates for comparable work  
12 in milk manufacturing and processing plants in the area and  
13 return on invested capital equal to the average annual return  
14 on net worth earned by milk handlers and manufacturers  
15 during the preceding five-year period. The Board shall  
16 submit to Congress not later than January 3, 1961, a detailed  
17 report thereon with recommendations for legislation related  
18 to the protection of producers' returns on and market supply  
19 management of butterfat and milk for manufacturing, includ-  
20 ing programs to be operated and financed by dairymen,  
21 covering the probable costs and effects of the proposals rec-  
22 ommended and the legislation required to put the proposal  
23 into effect. The Federal Dairy Board may conduct such

1 hearings and receive such statements and briefs in connection  
2 with such study as it deems appropriate.

3       “(H) The Secretary is directed to make available to  
4 the Federal Dairy Board the services of such of the facilities  
5 and personnel of the Department of Agriculture as it may  
6 require for the appropriate conduct of its duties.”





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## **AMENDMENT**

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Intended to be proposed by Mr. PROxmIRE to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

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JULY 10, 1958

Ordered to lie on the table and to be printed

Calendar No. 1801

85TH CONGRESS  
2D SESSION

**S. 4071**

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IN THE SENATE OF THE UNITED STATES

JULY 10, 1958

Ordered to lie on the table and to be printed

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## **AMENDMENT**

Intended to be proposed by Mr. PROXMIRE to the bill (S. 4071)  
to provide more effective price, production adjustment, and  
marketing programs for various agricultural commodities,  
viz: Add the following new title to the bill:

1 TITLE IV—DAIRY STABILIZATION ACT OF 1958

2 SEC. 401. This Act may be cited as the "Dairy Stabili-  
3 zation Act of 1958".

4 LEGISLATIVE FINDINGS

5 SEC. 402. Milk and dairy products are an important  
6 source of the Nation's total supply of food for domestic con-  
7 sumption and for export. They are marketed on nationwide  
8 markets, and substantial quantities thereof, in both raw and  
9 processed form, move in interstate and foreign commerce.  
10 Recurring seasonal and periodic surpluses and shortages, im-

1 paired purchasing power and financial instability of milk pro-  
2 ducers, unnecessarily high prices to consumers for essential  
3 foods, disorderly marketing practices, economic strife, and  
4 congestion in storage, transportation, processing, and other  
5 handling facilities adversely affect farm credit, disorganize  
6 and disrupt the agricultural and general economy of the  
7 United States, impinge on the public welfare, impair the na-  
8 tional security, and burden interstate and foreign commerce.  
9 The production and marketing of milk and dairy products is  
10 affected with a public interest, directly affects the welfare and  
11 security of the Nation, and is attended with substantial and  
12 far reaching consequences to interstate and foreign commerce.  
13 All marketing of milk and dairy products is either in the cur-  
14 rent of interstate or foreign commerce or directly affects such  
15 commerce. That part which enters directly into the current  
16 of interstate or foreign commerce cannot be effectively regu-  
17 lated without regulating also that part which is marketed  
18 within the State of production. The intrastate production  
19 and marketing of milk and dairy products is in competition  
20 with the production and marketing of milk and dairy  
21 products for interstate and foreign commerce.

22

## DECLARATION OF POLICY

23

24 SEC. 403. It is hereby declared to be the policy of the  
25 Congress (a) to provide an adequate, balanced, and orderly  
flow of milk and dairy products in interstate and foreign



1 commerce; (b) to promote the effective merchandising of  
2 milk and dairy products in interstate and foreign commerce;  
3 (c) to develop an improved, orderly, and stabilized market  
4 for milk and dairy products which are marketed in inter-  
5 state or foreign commerce, or so as to affect such commerce;  
6 (d) to protect the security and welfare of the Nation by  
7 maintaining adequate domestic production and supplies  
8 of milk and dairy products and by keeping the national  
9 agricultural resources permanently productive and reason-  
10 ably adjusted to current demand; (e) to stabilize the prices  
11 of milk and dairy products at levels which will assure  
12 adequate supplies of milk and dairy products and provide a  
13 fair return to the producers of milk and butterfat commensurate  
14 with the cost of production, taking into consideration  
15 the investment and risk involved, and the labor of the producer  
16 and his family; (f) to protect the interest of consumers  
17 by maintaining a stabilized, continuous, and adequate supply  
18 of milk and dairy products at fair prices; and (g) to provide  
19 a self-financing system of price stabilization and production  
20 adjustment for milk and dairy products.

#### 21 GENERAL DEFINITIONS

22 SEC. 404. For the purposes of this Act—

23 (a) The terms “interstate commerce” and “foreign com-  
24 merce” include the movement of milk and dairy products  
25 in commerce between any State or the District of Columbia

1 and any place outside thereof, or within the District of  
2 Columbia, or between any Territory or possession which is  
3 included within the operation of this Act by the action of  
4 the Board and any place outside thereof, or within any such  
5 Territory or possession.

6 (b) The term "affect interstate or foreign commerce"  
7 means, among other things, to burden, obstruct, impede, or  
8 otherwise affect interstate or foreign commerce, the free and  
9 orderly flow thereof, or the production, storing, processing,  
10 marketing, or transportation of milk and dairy products for  
11 or in such commerce or after transportation therein.

12 (c) "United States" means the several States, the Dis-  
13 trict of Columbia, and any Territory or possession of the  
14 United States which the Board determines should be included  
15 in the operation of this Act. The term "States" includes  
16 any State, the District of Columbia, and any Territory or  
17 possession which the Board includes within the term "United  
18 States." The provisions of this Act shall apply to the United  
19 States as herein defined, except that the powers and au-  
20 thority of the Board may be exercised in other areas and  
21 in foreign countries in connection with the sale or other  
22 disposal of milk, butterfat, and dairy products.

23 (d) "Secretary" means the Secretary of Agriculture,  
24 "Department" means the United States Department of Agri-

1 culture, "Board" means the Federal Dairy Stabilization  
2 Board, and "Advisory Committee" means the Federal Dairy  
3 Advisory Committee.

4 (e) "Person" means an individual, partnership, corpo-  
5 ration, association, trust, estate, or any other business entity.

6 (f) The terms "milk", "butterfat", and "dairy prod-  
7 ucts" mean milk and butterfat and the products of milk and  
8 butterfat, respectively, including any classification, type, or  
9 grade thereof; together with such combinations and by-  
10 products thereof, and such products manufactured wholly or  
11 in part thereof, as may be designated by the Board.

12 (g) "Marketing year" means the twelve-month period  
13 beginning April 1 of each year.

14 (h) "Estimated supply" for any marketing year shall  
15 be (1) the estimated carryover at the beginning of such  
16 marketing year; plus (2) estimated production for market  
17 in the United States during such marketing year, less the  
18 estimated surplus to be acquired by or charged to the Com-  
19 modity Credit Corporation during such marketing year as a  
20 result of diverted acres; plus (3) estimated imports into the  
21 United States during such marketing year, less the estimated  
22 surplus to be acquired by or charged to the Commodity  
23 Credit Corporation during such marketing year as a result  
24 of imports. Estimates for marketing years may be based



1 on statistics or estimates for calendar years, or, in the dis-  
2 cretion of the Board, calendar year estimates may be used  
3 in place of marketing year estimates.

4 (i) "Carryover" shall not include the estimated sur-  
5 plus milk or dairy products owned or controlled by or  
6 charged to the Commodity Credit Corporation, or to be  
7 acquired by or charged to it, under this Act before the  
8 beginning of the marketing year for which "carryover" is  
9 to be estimated.

10 (j) "Estimated demand" for any marketing year shall  
11 be (1) the estimated consumption in the United States during  
12 such marketing year; plus (2) estimated exports during  
13 such marketing year; plus (3) an allowance for carryover.  
14 In determining estimated demand, estimated disposals of  
15 surplus milk or dairy products by Commodity Credit Cor-  
16 poration, or by the Board outside of the ordinary channels  
17 of domestic or foreign trade, shall be excluded.

18 (k) The "allowance for carryover" shall be determined  
19 by the Board. In making this determination, consideration  
20 shall be given to the need for maintaining an adequate,  
21 dependable, and continuous supply of milk and dairy prod-  
22 ucts. The Board shall take into consideration any abnormal  
23 conditions present or likely to prevail, contingencies related  
24 to national security and world supplies, and trends in the

1 production, marketing, and utilization of milk and dairy  
2 products.

3 (l) "Milk producer" means any person engaged in  
4 the production of milk or butterfat for market. A milk  
5 producer to be eligible to serve as a member of the Board,  
6 or to vote for nominees for appointment to the Board must  
7 be engaged in the production and marketing of milk or  
8 butterfat in commercial quantities.

9 (m) "Commodity Credit Corporation" shall include the  
10 Commodity Credit Corporation as now or hereafter con-  
11 stituted and any successor or other Federal agency authorized  
12 to perform similar services.

13 FEDERAL DAIRY STABILIZATION BOARD

14 SEC. 405. There is created in the Department as an in-  
15 dependent agency and instrumentality of the United States  
16 a Federal Dairy Stabilization Board consisting of fifteen  
17 members to be appointed by the President after receiving  
18 nominations from milk producers as hereinafter provided.  
19 Only persons who are milk producers, or who are officers  
20 of dairy cooperative associations which meet the require-  
21 ments of the Capper-Volstead Act (7 U. S. C. 291-292).  
22 or who are officers of federations or marketing agencies  
23 in common owned and controlled by such cooperatives.  
24 shall be eligible to serve on the Board. Not less than

1 eleven of the fifteen members of the Board shall be milk  
2 producers. The temporary impairment of this ratio by  
3 the death, resignation, disqualification, or removal of pro-  
4 ducer members, or for other causes, shall not affect the  
5 authority of the Board to act.

6 SEC. 406. In order to secure appropriate regional repre-  
7 sentation on the Board, the United States shall be divided  
8 into fifteen Federal dairy districts to be designated by the  
9 Secretary. In designating such districts, the Secretary shall  
10 give consideration to (1) complete geographical representa-  
11 tion of the United States and (2) the importance of dairy-  
12 ing in each district.

13 SEC. 407. Each Federal dairy district shall be assigned  
14 one place on the Board. The milk producers in each dis-  
15 trict shall by ballot select three nominees for the place on  
16 the Board assigned to their district. Each milk producer  
17 shall be entitled to submit one name for nominee for the  
18 place on the Board to be filled from his district. The three  
19 candidates receiving the highest number of votes for nominee  
20 for each respective place on the Board shall be nominees  
21 for appointment to such place. The Secretary shall conduct  
22 all elections for the selection of such nominees, prescribe  
23 such rules and regulations as he may consider necessary in  
24 the administration of the duties assigned to him under this  
25 Act, determine all questions involving the qualifications of



1 such nominees, members of the Board, or milk producers,  
2 resolve all tie votes for such nominees, and certify such  
3 nominees to the President. The decision of the Secretary in  
4 all such matters shall be final. The three nominees so  
5 selected for each place on the Board shall be received and  
6 considered by the President in making appointments to the  
7 respective places on the Board for which such nominees  
8 were selected. In making appointments to the Board, the  
9 President shall give due consideration to securing an equi-  
10 table representation of the various forms in which milk and  
11 its products are sold.

12 SEC. 408. The first appointments to the Board shall be  
13 equally divided between two-, four-, and six-year terms,  
14 respectively, as designated by the President; and thereafter  
15 each member shall be appointed for a term of six years.  
16 Terms of Board members shall be based on calendar years  
17 and shall expire on the 31st day of December of the last  
18 calendar year of the appointment. Each member shall  
19 hold office for the term of his appointment and until his  
20 successor shall have been appointed and shall have taken  
21 office. Board members may be removed for cause or in-  
22 eligibility by the President. Vacancies on the Board may  
23 be filled for the unexpired terms by appointment by the  
24 President, taking into consideration the nominees from

1 which the original appointment was made, or, in the dis-  
2 cretion of the President, in the manner herein prescribed for  
3 the appointment of members for a regular term. Vacancies  
4 on the Board shall not impair the power of the remaining  
5 members to exercise all the powers of the Board, except that  
6 in no event shall the Board be empowered to act unless  
7 eight or more places on the Board are filled. Each member  
8 of the Board, other than the Secretary or the Secretary's  
9 representative, shall receive a per diem of \$50 for each day's  
10 attendance at meetings of the Board and while traveling  
11 to and from said meetings, but not to exceed a total of  
12 \$2,500 in any one year, together with actual, necessary  
13 travel, subsistence, and other expenses incurred in the dis-  
14 charge of his official duties without regard to other laws  
15 with respect to allowances which may be made on account  
16 of travel and subsistence expenses of officers and employed  
17 personnel of the United States. The Secretary, or an official  
18 of the Department designated by him, shall be an ex officio  
19 member of the Board. He shall meet and confer with the  
20 Board but shall not be entitled to vote.

21       SEC. 409. The Board shall meet annually on the second  
22 Monday in January and at other times upon call of the  
23 Chairman. In addition, special meetings of the Board may  
24 be called at any time by a majority of the members of the

1 Board in office, or by the Secretary. The Board shall meet  
2 at least once in each calendar quarter of each year.

3 SEC. 410. The Chairman of the Board shall be selected  
4 by the Board. He shall hold office for a term of two calen-  
5 dar years and until his successor shall have been selected and  
6 shall have taken office. Vacancies in the office of the Chair-  
7 man of the Board shall be filled for the unexpired term by  
8 the Board.

9 SEC. 411. A majority of the members of the Board in  
10 office shall constitute a quorum, and action may be taken by  
11 a majority vote of those present at any regular or special  
12 meeting at which a quorum is present. The findings and  
13 determinations of the Board made under the authority of this  
14 Act shall be final and conclusive. The Board may adopt,  
15 alter, and use an official seal which shall be judicially noticed.  
16 It may adopt rules and regulations governing the manner  
17 in which its business may be conducted and its powers may  
18 be exercised.

19 SEC. 412. The Board may sue and be sued in the same  
20 manner, in the same courts, and to the same extent that the  
21 Commodity Credit Corporation may sue and be sued; and  
22 the laws, rules, and decisions applicable to suits by or against  
23 that Corporation shall be applicable to suits by or against  
24 the Board. The Board shall be entitled to the use of the



1 United States mails in the same manner and upon the same  
2 conditions as the Commodity Credit Corporation.

3 SEC. 413. The Board may select an executive committee  
4 of five from among its members and delegate to it any power  
5 or authority of the Board, except the power to set price  
6 stabilization levels, the amount of the marketing assessment  
7 herein provided for, or the total quantity of milk and butter-  
8 fat which may be marketed under marketing certificates.  
9 Not less than three of the five members of the executive com-  
10 mittee shall be milk producers. The temporary impairment  
11 of this ratio by the death, resignation, disqualification, or re-  
12 moval of producer members, or for other causes, shall not  
13 affect the authority of the committee to act. Members of  
14 the executive committee shall be paid their actual, necessary  
15 travel, subsistence, and other expenses incurred in the dis-  
16 charge of their official duties, without regard to other laws  
17 with respect to allowances which may be made on account of  
18 travel and subsistence expenses of officers and employed per-  
19 sonnel of the United States and, in addition to their com-  
20 pensation as members of the Board, may be paid a per diem  
21 in such amounts and for such days as the Board may pre-  
22 scribe. Vacancies on the executive committee may be filled  
23 by the Board. Vacancies on the committee shall not impair  
24 the power of the remaining members to exercise all the

1 powers of the committee provided a quorum remains. Three  
2 members of the committee shall constitute a quorum. The  
3 Chairman of the Board shall be a member of the executive  
4 committee and its chairman. Meetings of the executive com-  
5 mittee may be called by the chairman, a majority of the  
6 members of the committee in office, or by the Secretary.  
7 The Secretary, or an official of the Department designated  
8 by him, shall be an ex officio member of the executive com-  
9 mittee. He shall meet and confer with the executive com-  
10 mittee but shall not be entitled to vote or to receive expenses  
11 or per diem.

12 SEC. 414. The Board may enter into and carry out such  
13 contracts or agreements as are necessary or desirable in the  
14 conduct of its business. State and local laws or rules shall  
15 not be applicable with respect to contracts or agreements of  
16 the Board, or the parties thereto, to the extent that such  
17 contracts or agreements provide that such laws or rules shall  
18 not be applicable.

19 SEC. 415. The Board may, either directly or through such  
20 corporations, stabilization corporations, brokers, agents, or  
21 persons as it may designate, acquire, hold, store, warehouse,  
22 manufacture, process, service, package, advertise, sell and  
23 transport, or otherwise acquire, handle or dispose of, milk  
24 and dairy products in raw or processed form, or in the form

1 of warehouse receipts, or contracts to buy or sell, and may  
2 contract for plants, facilities, and services needed to accom-  
3 plish such purposes.

4 SEC. 416. The Board shall have the power to acquire,  
5 hold, improve, repair, modify, encumber, lease, use, and  
6 dispose of real or personal property, or any right or interest  
7 therein, which may be necessary or appropriate to the  
8 conduct of its business.

9 SEC. 417. The Board may borrow money and pledge  
10 as security any assets which it may have, including dairy  
11 products. It shall be entitled to borrow from the Com-  
12 modity Credit Corporation, and the Commodity Credit  
13 Corporation is authorized and directed to loan to it, without  
14 security, such amounts as the Board may deem necessary to  
15 carry out effectively the purposes of this Act: *Provided,*  
16 *however,* That the total amount of all money borrowed from  
17 the Commodity Credit Corporation and outstanding at any  
18 one time shall not exceed in the aggregate the sum of  
19 \$350,000,000. The Board may borrow money from any  
20 other source of credit available to it upon the security of  
21 the dairy products acquired by it or on the security of  
22 other assets or by unsecured loans and may issue notes,  
23 bonds, and other obligations. Other than the authority to  
24 borrow from the Commodity Credit Corporation, the Board



1 shall have no authority to obligate the United States, and  
2 none of its notes, bonds, or other obligations shall be guar-  
3 anteed by or collectible from the United States. Judgments  
4 and other claims against the Board shall be enforced only  
5 against the assets of the Board in the same manner as if  
6 it were a corporation, and no liability for the debts or actions  
7 of the Board shall exist against either the United States or  
8 any member, officer, employee, or agent of the Board in his  
9 individual capacity.

10 SEC. 418. The Board shall determine the character of  
11 and the necessity for its obligations and expenditures and the  
12 manner in which they shall be incurred, allowed, and paid.  
13 It may make final and conclusive settlement and adjustment  
14 of any claims by or against the Board or of the accounts  
15 of its officers, employees, agents, and contractors.

16 SEC. 419. The Board may make such loans and advances  
17 of its funds as are necessary in the conduct of its business.

18 SEC. 420. The Board shall have such other powers as  
19 may be necessary or appropriate for the exercise of the  
20 powers vested in it and the effective performance of the  
21 duties imposed on it by this Act.

22 SEC. 421. The Board shall pay interest to the Commod-  
23 ity Credit Corporation on all money owed to that Corporation  
24 at such rates as may be determined by the Secretary of the

1 Treasury to represent the cost of money to the Government,  
2 taking into consideration the terms for which such amounts  
3 are loaned to the Board.

4 SEC. 422. The Board is authorized to use in its business  
5 all funds or other assets in its possession, including net earn-  
6 ings and borrowed money.

7 SEC. 423. The Board may appoint such committees and  
8 officers and employ such personnel as it may deem necessary  
9 for the conduct of its business, fix the amount of and pay  
10 their compensation, define their authority and duties, and  
11 delegate to them, or to such corporations, stabilization cor-  
12 porations, brokers, agents, or persons with whom it may  
13 contract, such of the powers vested in the Board as it may  
14 determine, except the power to determine price stabilization  
15 levels, the amount of the marketing assessment herein pro-  
16 vided for or the total quantity of milk and butterfat which  
17 may be marketed under marketing certificates. All such  
18 committees, officers, and employees, including the executive  
19 committee, shall be subject to the general supervision and  
20 control of the Board. The Board may require and pay for  
21 bonds for employees, officers, agents, or contractors. None  
22 of the officers, members, or employees of the Board shall  
23 be subject to the Federal laws and regulations relating to  
24 the employment, compensation, classification, discharge, or  
25 leave, travel and subsistence allowances of Government

1 employees, except such regulations relating thereto as may  
2 be prescribed by the Board. Subsequent amendments of  
3 such laws or regulations shall not affect this exemption,  
4 unless such amendments shall specifically so provide.

5 SEC. 424. The Board may, with the consent of the agency  
6 concerned, accept and utilize, on a compensated or uncom-  
7 pensated basis, the officers, employees, services, facilities,  
8 and information of any agency of the United States or of  
9 any State or of any political subdivision of any of the fore-  
10 going.

11 SEC. 425. The Board may, in the conduct of its business,  
12 utilize on a contract or fee basis any corporation, stabilization  
13 corporation, association, agency, person, commodity ex-  
14 change, broker, or trade facility.

15 SEC. 426. The Board shall at all times maintain complete  
16 and accurate minutes and books of account. It shall file  
17 annually with the Secretary a complete report of the business  
18 of the Board, a copy of which shall be submitted to Congress.  
19 The financial transactions of the Board shall be audited  
20 annually by a certified public accountant, or firm thereof,  
21 in accordance with generally accepted principles and pro-  
22 cedures applicable to commercial corporate transactions.  
23 Copies of the audit report shall be submitted to the Secretary  
24 and to Congress.



## 1                   FEDERAL DAIRY ADVISORY COMMITTEE

2           SEC. 427. The Secretary is authorized and directed to  
3 appoint a Federal Dairy Advisory Committee of twelve  
4 members which shall confer with and advise the Board con-  
5 cerning the dairy stabilization programs herein authorized.

6           SEC. 428. In making appointments to the Advisory Com-  
7 mittee the Secretary shall give equitable recognition to repre-  
8 sentation of (1) manufacturers, handlers, and distributors  
9 of milk and dairy products; (2) consumers; (3) other  
10 agricultural commodities or programs that may be affected  
11 by the operation of the dairy stabilization program; and (4)  
12 other interests which the Secretary determines are directly  
13 concerned with the operation of this Act.

14          SEC. 429. Membership on the Advisory Committee shall  
15 be for a term of three calendar years, expiring on December  
16 31 of the last year of the term. Each member shall hold  
17 office for the term of his appointment and until his successor  
18 shall have been appointed and shall have taken office.  
19 Members of the Advisory Committee may be removed by  
20 the Secretary with or without cause. Vacancies may be  
21 filled by the Secretary for unexpired terms. Vacancies on  
22 the Advisory Committee shall not affect the authority of the  
23 remaining members to meet and perform the functions of  
24 the Committee. Original appointments shall be equally  
25 divided between one-, two-, and three-year terms, as desig-

1 nated by the Secretary. The Secretary, or an official of  
2 the Department designated by him, shall be an ex officio  
3 member of the Advisory Committee. He shall meet and  
4 confer with the Committee but shall not be entitled to vote.

5 SEC. 430. The Advisory Committee shall meet annually  
6 on the second Monday in January and at other times upon  
7 call of the Chairman of the Board.

8 SEC. 431. The Chairman of the Advisory Committee  
9 shall be selected annually by the Committee.

10 SEC. 432. A majority of the members of the Committee  
11 in office shall constitute a quorum, and resolutions and rec-  
12 ommendations may be adopted by a majority vote of those  
13 present at any meeting at which a quorum is present.

14 SEC. 433. Members of the Advisory Committee, other  
15 than the Secretary or the Secretary's representative, shall  
16 be compensated and reimbursed for travel, subsistence, and  
17 other expenses from the funds of the Board for attendance  
18 at meetings of the Advisory Committee at the same rates  
19 and in the same manner that members of the Board are  
20 compensated and reimbursed for attendance at meetings of  
21 the Board.

22 PRICE STABILIZATION

23 SEC. 434. The Board is authorized and directed to  
24 stabilize prices of milk and butterfat to producers. Except  
25 as otherwise provided in this Act, the amounts, terms, types,

1 and conditions of the stabilization operations of the Board,  
2 and the extent to which such operations are carried out,  
3 shall be determined by the Board.

4       SEC. 435. Stabilized prices to producers for milk and  
5 butterfat shall be provided by the Board at levels to be  
6 established and announced annually by the Board. In de-  
7 termining stabilization price levels, the amount of the mar-  
8 keting assessment, and the prices at which various dairy  
9 products will be bought or sold, in any marketing year, the  
10 Board shall take into consideration (1) the declared policy  
11 of this Act, (2) the nutritional value of milk and dairy  
12 products and the importance of such essential foods to the  
13 health and general welfare of the Nation and to the national  
14 defense, (3) the estimated supply of milk and dairy products  
15 for such marketing year, (4) the estimated demand for  
16 milk and dairy products for such marketing year, (5) the  
17 price support level for feed crops which affect the cost  
18 of milk production, (6) the estimated costs of producing,  
19 processing, and marketing milk and dairy products, (7)  
20 the relationship which the price of milk and dairy products  
21 bear to prices for other foods and to hourly returns for labor,  
22 (8) the hourly returns for the labor of dairy farmers and  
23 their families, (9) estimated returns to farmers from alterna-  
24 tive crops and commodities, (10) the general economic con-  
25 dition of dairy farmers and the effect of such condition upon



1 the economy of rural communities and of the Nation as a  
2 whole, (11) the need for maintaining a reasonable relation-  
3 ship between the prices that farmers receive and the cost of  
4 the things that farmers buy, and (12) other economic con-  
5 ditions which affect the market for milk and dairy products.  
6 In making such determinations, the Board may hold such  
7 public hearings, with notice, and utilize such studies as it  
8 considers necessary to effectuate the purposes of this Act.  
9 The stabilization levels shall be established as of the begin-  
10 ning of the marketing year and shall be on an annual basis.  
11 They shall be announced as far in advance of the marketing  
12 year as is practicable. The stabilization levels so announced  
13 by the Board shall not thereafter be varied before the close  
14 of the marketing year for which they are applicable, except  
15 that in emergency cases, after a public hearing, with notice,  
16 the Board may redetermine the stabilization levels if it finds  
17 that conditions have materially changed since the announce-  
18 ment was made. A reasonable time, taking into considera-  
19 tion the character of the emergency, shall be allowed by the  
20 Board before any redetermined stabilization levels are made  
21 effective. The Board's finding and the record of the hear-  
22 ing shall be available to the public.

23 SEC. 436. Appropriate adjustments and variations may  
24 be made by the Board in the stabilization prices for different

1 products and for differences in grade, type, quality, location,  
2 season, and other factors. To determine the stabilized price  
3 level for any marketing year, the stabilized prices to pro-  
4 ducers for all commodities prescribed under this Act for  
5 such marketing year shall be reduced to a common factor,  
6 such as milk equivalent, and averaged.

7 SEC. 437. In order to stabilize prices for milk and dairy  
8 products, the Board is authorized and directed to establish  
9 and maintain a surplus holding pool. The Board shall re-  
10 move from the ordinary and usual channels of domestic  
11 consumption milk and dairy products which are not absorbed  
12 in such channels at the prevailing stabilization price levels.  
13 In order to accomplish this objective, the Board shall stand  
14 ready and willing at all times to purchase domestically  
15 produced butter, cheddar cheese, and nonfat dry milk solids,  
16 together with such milk and butterfat and such other dairy  
17 products or byproducts as the Board may by order designate.  
18 Such purchases shall be at price levels which the Board  
19 determines will return to producers on a general average  
20 basis the prevailing stabilization levels for milk and butterfat.  
21 Appropriate adjustments and differentials may be made  
22 between terminal markets, and between such terminal  
23 markets and country locations. The Board shall give due  
24 consideration to historical and established differentials in  
25 determining such adjustments and differentials. Purchases

1 may be made either in terminal markets or at country  
2 locations, or both, with appropriate adjustments and differ-  
3 entials as above provided. The Board may prescribe the  
4 terms and conditions under which it will make such purchases.  
5 The specific purchases to be made and the types and grades  
6 to be purchased shall be in the discretion of the Board. The  
7 Board may take physical possession of any milk or any dairy  
8 products acquired by it or operate through the use of con-  
9 tracts or warehouse receipts in its discretion. It may operate  
10 on the commodity exchanges to whatever extent it deems  
11 appropriate. It may make its purchases and sales and  
12 perform its other functions through its own staff or through  
13 such committees, corporations, stabilization corporations,  
14 agents, brokers, or persons as it may designate.

15 SEC. 438. The Board may sell any milk or any dairy  
16 product owned or controlled by it at any price not prohibited  
17 by this section. In determining sales policies for any milk or  
18 any dairy product intended for use in the ordinary and usual  
19 channels of domestic consumption, the Board shall give  
20 consideration to the establishing of such policies with respect  
21 to prices, terms, and conditions as it determines will not  
22 discourage or deter manufacturers, processors, and dealers  
23 from acquiring and carrying normal inventories of such com-  
24 modities. The Board shall not sell any milk or any dairy  
25 product for use in the ordinary and usual channels of domestic



1 consumption at less than the current stabilization price there-  
2 for. The foregoing restriction shall not apply to (a) sales  
3 to prevent deterioration or spoilage or to rotate stocks, (b)  
4 sales for the purpose of establishing claims against any  
5 person for wrongful act or violation of contract, (c) sales  
6 for exports, (d) sales for use in connection with special  
7 promotional programs to increase consumption, (e) sales  
8 for new, secondary, or byproduct uses, (f) sales for feed, and  
9 (g) such other sales as the Board finds and determines will  
10 not interfere with the purposes of this Act. The Board may  
11 in its discretion give away, barter for domestic or foreign  
12 assets, or sell at reduced prices or for foreign currency, any  
13 milk or any dairy product in its possession or under its  
14 control where the use to be made of it is not in the ordinary  
15 and usual channels of domestic consumption, including sales  
16 or gifts to the armed services, for school lunches, for school  
17 milk programs, to charitable institutions, to governmental  
18 agencies or institutions, to educational or research institutions,  
19 for domestic relief, for foreign relief, for export, and to such  
20 other agencies or for such other purposes as the Board  
21 determines will not interfere with the purposes of this Act.

22       SEC. 439. The Federal Government and the various  
23 agencies and instrumentalities thereof, in connection with  
24 programs sponsored by the Government or supported in  
25 whole or in part by Government funds which call for the

1 distribution of food, shall give due consideration to obtaining  
2 milk and dairy products from the Board. Agencies of the  
3 United States Government in connection with relief or  
4 other distributions or the procuring of materials, equipment,  
5 supplies, or services in foreign nations, are directed to co-  
6 operate with the Board in the disposal of milk and dairy  
7 products by barter or exchange for foreign assets or cur-  
8 rencies and in the utilization of foreign currencies.

9 SEC. 440. The Board is authorized to promote and de-  
10 velop new and expanded outlets for milk and dairy products.

11 SEC. 441. The operations of the Board in connection  
12 with acquiring, transporting, holding, storing, manufacturing,  
13 processing, handling, selling, and disposing of milk and  
14 dairy products may be conducted through regular commercial  
15 channels, and due consideration shall be given by the Board  
16 to dislocating or disrupting as little as possible, consistent  
17 with the purposes of this Act, the usual and customary  
18 channels of trade. Nothing herein contained shall prevent  
19 the Board from conducting such operations itself or through  
20 a corporation, stabilization corporation, broker, agency, or  
21 person.

22 SEC. 442. After the effective date of this Act, surplus  
23 milk or dairy products shall not be sold or otherwise disposed  
24 of in the ordinary and usual channels of domestic trade by  
25 the Commodity Credit Corporation or by any other Federal

1 agency without the express consent of the Board. The  
2 purpose of this provision is to segregate the surplus milk  
3 and dairy products held by the Commodity Credit Corpora-  
4 tion on the effective date of this Act or subsequently ac-  
5 quired by it under this Act.

6       SEC. 443. In any marketing year in which surplus milk  
7 or dairy products are acquired by the Board and in which  
8 milk or dairy products are imported into the United States  
9 from any foreign country, the Board shall be entitled to  
10 turn over to the Commodity Credit Corporation for disposal  
11 as surplus in accordance with the provisions of this Act an  
12 amount of such surplus dairy products which shall not  
13 exceed the equivalent of the total amount of such imports,  
14 as determined by the Board, or, with the consent of the  
15 Commodity Credit Corporation, the Board may dispose  
16 of such surplus dairy products for the account of the Com-  
17 modity Credit Corporation. All loss sustained by the Board  
18 in removing from the domestic market surplus milk and  
19 dairy products in an amount equivalent to such imports shall  
20 be repaid to the Board by Commodity Credit Corporation.  
21 The Board may exclude from the operation of this section  
22 any imported dairy products which it determines are not  
23 competitive with domestically produced milk, butterfat, or  
24 dairy products.

25       SEC. 444. In any marketing year in which surplus milk



1 or dairy products are acquired by the Board and in which  
2 the total domestic production of milk or butterfat is increased  
3 due to diversion from the production of any other crop or  
4 commodity, including livestock, the production of which is  
5 controlled or regulated under any Federal agricultural pro-  
6 gram, the Board shall be entitled to turn over to the Com-  
7 modity Credit Corporation for disposal as surplus in  
8 accordance with the provisions of this Act an amount of  
9 such surplus dairy products which shall not exceed the  
10 equivalent of the total amount of such increased milk and  
11 butterfat, production, as determined by the Secretary, or,  
12 with the consent of the Commodity Credit Corporation,  
13 the Board may dispose of such surplus for the account of  
14 the Commodity Credit Corporation. All loss sustained by  
15 the Board in removing from the market surplus milk and  
16 dairy products in an amount equivalent to the volume of  
17 such increased production due to diversion shall be repaid  
18 to the Board by Commodity Credit Corporation. Such  
19 losses shall be charged by Commodity Credit Corporation  
20 to the price support programs of the crops from which such  
21 diversion occurred.

22 REVIEW BY THE SECRETARY

23 SEC. 445. The operations of the Board shall be subject  
24 to the supervision and control of the Secretary to the follow-  
25 ing extent and in the following manner. Whenever the

1 Secretary shall certify to the Board that there is reason to  
2 believe the operations of the Board have resulted or will  
3 result in prices to producers for milk or butterfat or both  
4 which are unreasonably high when considered in connection  
5 with the purpose of this Act, he shall, unless prompt action  
6 is taken by the Board to remedy the situation, cause a hear-  
7 ing to be held within the Department for the purpose of  
8 determining such fact. Reasonable notice of such hearing  
9 shall be given, and all interested parties shall be given an  
10 opportunity to appear and present evidence, statements, and  
11 arguments relevant and material to the issues involved, all of  
12 which shall be made a part of the record of the hearing. The  
13 Secretary may prescribe rules and regulations governing such  
14 hearings.

15 SEC. 446. If, on the basis of the record of such hearing,  
16 the Secretary determines that the operations of the Board  
17 have resulted or will result in prices to producers that are  
18 unreasonably high, when considered in connection with the  
19 purposes of this Act, he shall by order prescribe the stabiliza-  
20 tion price levels which he determines would not be subject  
21 to such objection.

22 SEC. 447. If the Board shall fail or refuse within a rea-  
23 sonable time to take effective action to bring the stabilization  
24 price levels in line with the levels ordered, the Secretary may  
25 petition the United States Court of Appeals for the District

1 of Columbia Circuit for a decree directing the members of the  
2 Board to take action or to cease and desist from the taking  
3 of certain actions as the case may be. The court shall have  
4 jurisdiction to enter a decree affirming, modifying, or setting  
5 aside the order of the Secretary, or to enter such other decree  
6 as the court may deem equitable. The orders of the court  
7 may be enforced by contempt proceedings. Any order issued  
8 by the Secretary as above provided may be appealed by the  
9 Board to the said court and shall thereupon be subject to  
10 review by the court.

#### 11 MARKETING ASSESSMENT

12 SEC. 448. The cost of operating the stabilization program  
13 and of regulating the marketing of milk and dairy products  
14 in interstate and foreign commerce, or so as to affect such  
15 commerce, as herein provided, shall be paid by the milk  
16 producers and importers marketing milk, butterfat, or dairy  
17 products in such commerce, or so as to affect such commerce,  
18 in proportion to the milk, butterfat, and dairy products so  
19 marketed by them. Thus the cost of developing and main-  
20 taining an orderly, stabilized, and improved market will be  
21 charged directly to those using the improved market and  
22 sharing in its benefits and to them only; and the amount paid  
23 by each will be directly related to the use made of the im-  
24 proved market. Marketing assessments in amounts sufficient  
25 to cover the costs of the program, as determined by the



1 Board in accordance with the estimated requirements of the  
2 program for each marketing year, are hereby assessed against  
3 and shall be collected from each producer and importer who  
4 sells milk, butterfat, or dairy products in interstate or foreign  
5 commerce or so as to affect such commerce. The marketing  
6 assessments shall be established on an annual, marketing year  
7 basis. They shall be announced by the Board as far in ad-  
8 vance of the beginning of the marketing year as is prac-  
9 ticable. The assessments so announced shall not thereafter  
10 be varied before the close of the marketing year for which  
11 they are applicable, except that in emergency cases, the  
12 Board may redetermine such marketing assessments in the  
13 same manner that stabilization price levels may be redeter-  
14 mined in emergency cases. Every person purchasing milk,  
15 butterfat, or dairy products from a producer (except pur-  
16 chases by consumers for other than commercial uses), shall  
17 withhold from the purchase price an amount equal to the  
18 marketing assessment and shall remit the same to the Com-  
19 missioner of Internal Revenue. For the purposes of this  
20 section, milk, butterfat, or dairy products delivered by a  
21 producer to a cooperative association of producers shall be  
22 subject to the marketing assessment upon such delivery.  
23 Returns shall be filed and remittances made monthly by such  
24 purchasers in accordance with rules prescribed by the  
25 Commissioner.

1        SEC. 449. Producers holding licenses or permits issued by  
2 Federal, State, or local agencies authorizing them to sell  
3 milk, butterfat, or dairy products directly to consumers shall  
4 file returns and pay the marketing assessment on all sales  
5 made by them to consumers for other than commercial uses.

6        SEC. 450. The Commissioner of Internal Revenue shall  
7 collect the marketing assessments provided for herein and  
8 shall prescribe such rules and regulations as may be neces-  
9 sary to accomplish that purpose.

10       SEC. 451. The collection of the marketing assessments  
11 shall be enforced in the same manner that the collection of  
12 the taxes on employees under the Federal Insurance Con-  
13 tributions Act is enforced, and the remedies, penalties, and  
14 punishments provided by law or regulations for enforcement  
15 of such employee taxes shall, insofar as applicable and not  
16 inconsistent with the provisions of this Act, be applicable to  
17 the collection and enforcement of the marketing assessments.

18       SEC. 452. There is appropriated for each fiscal year, be-  
19 ginning with the fiscal year ending June 30, 1959, an  
20 amount equal to the marketing assessments collected under  
21 the provisions of this Act. Such sums shall be maintained  
22 in a separate fund and shall be used by the Board only to  
23 accomplish the purposes and policies of this Act and for the  
24 administrative expenses of the Board. The sums appro-  
25 priated under this section shall, notwithstanding the pro-

visions of any other law, continue to remain available for the purposes of this Act until expended. All sums collected by the Commissioner of Internal Revenue under the provisions of this Act shall be credited as received to a special account without fiscal year limitation set up for the use of the Board. Such funds, including any other funds of the Board, borrowed or otherwise, which may be in any such special account, shall be available for use by the Board in carrying out the purposes and policies of this Act and for the administrative expenses of the Board. The Board may expend such funds for such purposes, at such times, in such manner, and in such amounts, consistent with the provisions of this Act, as the Board finds will effectuate the purposes of this Act.

SEC. 453. The Secretary of the Treasury is authorized and directed upon request of the Board to establish one or more special accounts without fiscal year limitation for the use of the Board.

SEC. 454. All imports of milk, butterfat, and dairy products shall be subject to the collection of marketing assessments at the same rates as those collected from domestic producers. The Secretary of the Treasury shall collect the marketing assessments on imports at the time of importation. The laws and regulations applicable to the import tax on sugar imposed by section 4501 (b) of the Internal Revenue



1 Code of 1954 shall, insofar as applicable and not inconsistent  
2 with this Act, be applicable to the collection of the mar-  
3 keting assessments on imports. All funds so collected shall  
4 be credited as received to the special account of the Board  
5 and shall be available for use by the Board in the manner  
6 and for the purposes above mentioned. Rules and regula-  
7 tions governing the collection and payment of such fees  
8 shall be prescribed by the Secretary of the Treasury.

9                   MARKETING ALLOTMENT PROGRAMS

10       SEC. 455. The provisions of sections 55 through 63 shall  
11 be applicable only to marketing years when a marketing  
12 allotment program is required or in effect under this Act.

13       SEC. 456. In the event the marketing assessment estab-  
14 lished by the Board for any marketing year would exceed  
15 25 cents per hundredweight of milk, the Board shall set up  
16 and put into effect for such year a marketing allotment  
17 program operated and financed in the manner hereinafter  
18 authorized.

19       SEC. 457. The Board shall establish a base for each pro-  
20 ducer desiring to market milk or butterfat. Bases shall be  
21 assigned to producers, including partnerships, corporations,  
22 or other business entities, and not to herds or farms. The  
23 Board shall provide by rules or regulations for the trans-  
24 fer of bases in whole or in part, for the assignment of bases  
25 to new producers, for the equitable adjustment of bases to

1 avoid hardship, for such other adjustments consistent with  
2 the objectives of this Act as the Board deems appropriate,  
3 including adjustments for deficit production areas, and for  
4 such other matters as may be necessary or appropriate to  
5 set up and operate effectively and efficiently the programs  
6 herein authorized. In allocating such bases the Board shall  
7 take into consideration historical production, trends, abnor-  
8 mal production during the historical period, and such other  
9 factors as may be appropriate to carry out such allocation  
10 in an equitable and practical manner. Bases established by  
11 the Board shall continue in effect from year to year until  
12 terminated by the Board, but such bases shall be subject  
13 to modification and adjustments from time to time by the  
14 Board.

15 SEC. 458. Persons required to withhold and report mar-  
16 keting assessments shall make such additional reports as  
17 the Board may prescribe by rule or regulation relating to  
18 the volume of milk marketed by each producer. The Board  
19 shall have authority to make such investigations, inspec-  
20 tions, and audits of the records of any such person as may  
21 be necessary to enable it to carry out and enforce effectively  
22 the objectives of this Act.

23 SEC. 459. The Board shall estimate and announce annu-  
24 ally, as far in advance of the beginning of the applicable mar-

1 keting year as is practicable, (1) the estimated supply for  
2 such marketing year; (2) the total quantity of milk and  
3 dairy products which can be marketed during such market-  
4 ing year at prices equal to or above the stabilization price  
5 levels for such year; (3) the total quantity of milk and dairy  
6 products which can be sold or otherwise disposed of at prices  
7 less than the stabilization price levels for such year but which  
8 will provide a net return above the cost of handling; (4) the  
9 total quantity of milk and dairy products to be sold, donated,  
10 or otherwise disposed of during such year at a net loss below  
11 the cost of handling; (5) the amount by which storage  
12 stocks, reserves, and set-asides will be increased or decreased  
13 during such year; (6) the value of the milk and dairy prod-  
14 ucts in items numbered 1 through 5 above, including nega-  
15 tive values where applicable; and (7) such other matters  
16 as the Board deems appropriate to carry out the objectives  
17 of this Act. The estimates of the Board may be varied  
18 before the close of the marketing year for which they are  
19 applicable in the same manner in which announcements of  
20 stabilization price levels may be varied.

21       SEC. 460. The Board shall annually allocate to producers  
22 holding bases established by the Board the available markets  
23 for the applicable marketing year. Such allocations may be  
24 expressed in terms of percentage of base.



1        SEC. 461. The Board shall provide for the issuance of  
2        marketing certificates covering the marketing allocations of  
3        each producer.

SEC. 462. The Board may establish one or more market-  
ing assessment rates for milk or butterfat marketed in any  
marketing year when a marketing allotment program is in  
effect. Such rates may be varied as between milk or butter-  
fat marketed under marketing certificates and that marketed  
without such certificates.

10        SEC. 463. Marketing allotment programs set up by the  
11        Board shall be suspended or terminated by the Board when-  
12        ever the marketing assessment established by the Board for  
13        any marketing year would not exceed 25 cents per hundred-  
14        weight of milk. If for any subsequent marketing year  
15        such assessment would exceed that amount, then a market-  
16        ing allotment program shall be operated for each such  
17        marketing year.

## 18 MISCELLANEOUS

19        SEC. 464. The latest available statistics of the Federal  
20    Government shall be used in making the findings and de-  
21    terminations required to be made under this Act. Such  
22    statistics and other information of the Federal Government,  
23    and of its departments and agencies, as may be necessary  
24    or appropriate to enable the Board to carry out effectively

1 the purposes of this Act, shall be made available to the  
2 Board.

3 SEC. 465. Office space for the central office of the Board  
4 shall be provided by the Department of Agriculture, if the  
5 Board requests the use of such space.

6 SEC. 466. The provisions of the Federal Property and  
7 Administrative Services Act of 1949 (Public Law 152,  
8 Eighty-first Congress) ; section 3709 of the Revised Statutes  
9 (41 U. S. C. 5), as amended; the Walsh-Healey Public  
10 Contracts Act (41 U. S. C. 35-45) ; section 3741 of the  
11 Revised Statutes (41 U. S. C. 22) ; and sections 431 and  
12 432 of title 18 of the United States Code (18 U. S. C.  
13 431, 432) shall not be applicable to contracts, purchases,  
14 sales, or payments made under this Act.

15 SEC. 467. If any provision of this Act or the application  
16 thereof to any person, circumstance, commodity, or product  
17 is held invalid, the validity of the remainder of this Act and  
18 the application thereof to other persons, circumstances,  
19 commodities, or products, shall not be affected thereby.

20 SEC. 468. All milk and dairy products held by or for the  
21 Federal Dairy Stabilization Board and all other assets of  
22 the Board, including borrowed money, shall be deemed prop-  
23 erty of the United States and shall be exempt from Federal,  
24 State, and local property taxes, except that real estate owned

1 by the Board shall be subject to nondiscriminatory State and  
2 local real estate taxes. The income, obligations, contracts,  
3 and transactions of the Board, including purchases and sales  
4 made by or for the Board, shall be exempt from all Federal,  
5 State, and local taxes, licenses, and fees. All activities,  
6 contracts, transactions, and operations of the Board, its  
7 members, executive committee, officers, employees, and  
8 agents which are authorized by this Act shall be exempt  
9 from Federal and State antitrust laws.

10 SEC. 469. No member of the Board or of the Advisory  
11 Committee, nor any other person employed or acting in any  
12 official capacity in the administration of this Act, shall specu-  
13 late, directly or indirectly, in milk, butterfat, or dairy prod-  
14 ucts, or in contracts relating thereto, nor shall any such  
15 person accept or receive any benefit or gain from any such  
16 speculation by others or own or have any beneficial interest  
17 in any stock or other membership interest in any organiza-  
18 tion engaged in any such speculation. Normal business  
19 operations connected with the production, manufacturing,  
20 storing, and effective merchandising of milk and dairy prod-  
21 ucts, whether hedged or not, shall not be considered specula-  
22 tive within the meaning of this section. No member of the  
23 Board or of the Advisory Committee, nor any other person  
24 directly or indirectly connected with the Board or its activi-  
25 ties or who shall have access to the files or information of



1 the Board, shall divulge any information concerning the  
2 Board or its activities, which the Board shall have classified  
3 as confidential. Any person violating the provisions of this  
4 section shall upon conviction thereof be fined not more than  
5 \$10,000 or imprisoned not more than one year, or both.

6 SEC. 470. The general penal statutes relating to crimes  
7 and offenses against the United States, its property, contracts,  
8 employees, and operations shall apply with respect to the  
9 Board, its property, contracts, employees, and operations  
10 to the extent that such application is not inconsistent with  
11 the provisions of this Act.

12 SEC. 471. The price support operations of the Secretary  
13 under title II of the Agricultural Act of 1949 with respect  
14 to milk, butterfat, and dairy products shall be suspended  
15 during the entire period that stabilization operations are  
16 carried on by the Board under the authority of this Act.

17 REFERENDUM OF MILK PRODUCERS

18 SEC. 472. On the second Monday in September 1958, a  
19 referendum shall be conducted by the Secretary to determine  
20 whether dairy farmers favor a dairy stabilization program  
21 operated by the Federal Dairy Stabilization Board as herein  
22 provided or a price support program operated by the Secre-  
23 tary under title II of the Agricultural Act of 1949. The  
24 Secretary shall prescribe rules governing such referendum  
25 and shall determine all questions relating thereto. He shall

1 promptly determine and announce the results of the referen-  
2 dum. Producers eligible to vote for nominees for appointment  
3 to the Federal Dairy Stabilization Board shall be eligible to  
4 vote in such referendum.

5       SEC. 473. If a majority of those voting in the referendum  
6 provided for in the above section favor a price support pro-  
7 gram operated by the Federal Dairy Stabilization Board  
8 as herein provided, then the stabilization operations of the  
9 Board and the collection of the marketing assessments shall  
10 begin April 1, 1959. The price support operations of the  
11 Secretary under title II of the Agricultural Act of 1949 shall  
12 thereupon be suspended as provided in section 71 of this  
13 Act.

14       SEC. 474. If a majority of those voting in the referendum  
15 above provided favor a price support program operated by  
16 the Secretary under title II of the Agricultural Act of 1949,  
17 then the Secretary shall continue to make available to pro-  
18 ducers price support for milk, butterfat, and the products  
19 of milk and butterfat under title II of said Act, and the  
20 provisions of the Federal Dairy Stabilization Act of 1958  
21 shall cease to be effective.

22       SEC. 475. The decision of the Secretary in all matters  
23 relating to the referendum above provided shall be final.

24       SEC. 476. In order to provide a definite program for the  
25 purpose of such referendum, the Board is directed, in the

1 event the dairy stabilization program herein provided is  
2 approved and notwithstanding any other provisions of this  
3 Act, to support prices to producers for milk and butterfat  
4 for the marketing year beginning April 1, 1959, at 90 per  
5 centum of the parity price therefor, using the manufacturing  
6 milk parity equivalent formula originally used under the  
7 Agricultural Act of 1949, and the marketing assessment for  
8 such marketing year shall be 25 cents per hundredweight of  
9 milk or milk equivalent. Thereafter the stabilization levels  
10 and the amount of the marketing assessments shall be de-  
11 termined annually as herein provided. The provisions of  
12 this Act relating to variations in annual stabilization levels  
13 and marketing assessment rates in emergency cases shall be  
14 applicable to the stabilization levels and marketing assess-  
15 ment rates prescribed in this section.

16 SEC. 477. Dairy stabilization programs operated by the  
17 Federal Dairy Stabilization Board shall be subject to a  
18 referendum to determine whether such programs shall be  
19 continued or terminated, if 10 per centum or more of the milk  
20 producers eligible to vote in referendums under this Act  
21 shall petition the Secretary in writing for such referendum.  
22 Upon receipt of a qualified petition, the Secretary shall  
23 conduct such referendum and determine and announce the  
24 results thereof.

25 SEC. 478. If a majority of those voting in the referendum



1 provided for in the above section favor a price support pro-  
2 gram operated by the Federal Dairy Stabilization Board,  
3 then the stabilization operations of the Board and the col-  
4 lection of the marketing assessments shall be continued. If  
5 a majority of those voting in the referendum provided for  
6 in the above section favor discontinuing the stabilization  
7 operations of the Board, then the Secretary shall make  
8 available to producers price support for milk, butterfat, and  
9 the products of milk and butterfat under title II of the  
10 Agricultural Act of 1949. Upon the reinstitution of such  
11 price supports by the Secretary, the stabilization operations  
12 of the Board shall cease and no further marketing assess-  
13 ments shall be collected. All assets of the Board shall be  
14 transferred to the Secretary for liquidation. Any assets  
15 remaining after the payment of all obligations of the Board  
16 shall be available to the Secretary for use in connection  
17 with such price support operations.



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# AMENDMENT

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Intended to be proposed by Mr. Proxmire to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

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JULY 10, 1958

Ordered to lie on the table and to be printed



of the principle of free determination through which the people of Alaska have expressed their will to attain statehood: Therefore the Senate of Puerto Rico

*Resolves*, First, to congratulate, as it does hereby congratulate, the people of Alaska upon the resolve of Congress approving the admission of the Territory of Alaska as the 49th State of the American Union, a resolve that gives validity to the principle of free determination.

Secondly, to convey to the people of Alaska on such memorable occasion the heartfelt greetings of the people of Puerto Rico.

Thirdly, to congratulate the House of Representatives and the Senate of the United States upon the recognition of the principle of free determination which stems from the constitution of Alaska into a State of the Union.

Fourthly, that a certified copy of the resolution be transmitted to the Governor of Alaska, Hon. Mike Stepovich, and to the speaker of the house of representatives and the president of the senate of the people of Alaska, as well as to the Speaker of the House and the President of the Senate of the United States Congress.

A resolution adopted by the executive committee of the Supervisors' Association of the State of New York, favoring the enactment of legislation to assist the railroad industry; to the Committee on Interstate and Foreign Commerce.

Memorials signed by sundry citizens of the United States, remonstrating against the enactment of legislation to change the east front of the Capitol Building in the District of Columbia; to the Committee on Public Works.

A resolution adopted by the Board of Supervisors of the County of Maui, T. H., favoring the enactment of legislation granting statehood to Hawaii; ordered to lie on the table.

The petition of M. P. Matthews, of Washington, D. C., praying for the enactment of legislation granting statehood to Hawaii; ordered to lie on the table.

## PLIGHT OF RAILROAD INDUSTRY—RESOLUTIONS

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted by organizations of the State of New York, relating to the plight of the railroad industry.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

### RESOLUTION OF THE OPTIMIST CLUB OF BINGHAMTON, N. Y.

Whereas the railroads of the Nation, including those serving this community, are in dire financial straits and are, in fact, threatened with bankruptcy or Government ownership; and

Whereas the railroads are vital to the growth and continued prosperity of this community because they are big taxpayers and furnish employment for thousands of our citizens; and

Whereas thousands of our residents would be thrown out of work in the event the railroads collapsed; and

Whereas they bring into the community hundreds of thousands of dollars through the purchase of goods and services; and

Whereas the railroads are essential to the community and national economy in peacetime and especially in times of national emergency; and

Whereas the Smathers committee which investigated the deteriorating railroad situation, reported that the railroads must have immediate assistance if they are to survive as a free enterprise industry; and

Whereas the Smathers committee has proposed legislation which would help the railroads in their fight for survival: Therefore be it

*Resolved*, That this organization go on record in favor of immediate action by Congress to approve this legislation recommended by the Senate committee; and be it further

*Resolved*, That copies of this resolution be sent to the United States Senators from New York and the Congressman from this district.

### RESOLUTION OF TOWN BOARD, LYONS, N. Y.

At the meeting of town of Lyons Town Board, held June 25, 1958, the following resolution was adopted:

"Whereas the railroads are an essential element in the economy of the town of Lyons area and a vital factor in both our national prosperity and our national defense, and

"Whereas if the town of Lyons area and the Nation are to continue to reap the benefits of this essential, free enterprise transportation system, relief from some of the legislative restrictions of the railroads is imperative: Now, therefore, be it

*Resolved*, That the town board of the town of Lyons requests that prompt affirmative action be taken by the Congress of the United States to make the necessary practical changes that will permit the national railroads to improve their financial condition."

Very truly yours,

RICHARD H. HARTNAGEL,  
Town Clerk.

### RESOLUTION OF BOARD OF TRUSTEES OF BALLSTON SPA, N. Y.

At a regular meeting of the board of trustees of the village of Ballston Spa, N. Y., a resolution was passed as follows:

"Whereas the economic welfare and prosperity of the village of Ballston Spa, in a large measure depends upon a sound and thriving railroad industry; and

"Whereas the present depressed state of our railroads has caused numerous layoffs and widespread unemployment to the detriment of the people of the village of Ballston Spa: Now, therefore, be it

*Resolved*, That the village board urge the Senators from this State, and the Representatives from this district, to lend active support to the passage of legislation to implement the recommendations of the Subcommittee on Surface Transportation of the Senate Committee on Interstate and Foreign Commerce—that a copy of this resolution be spread upon the records of the minutes and copies sent to the said Senators and Representatives."

Trusting you will use your influence to aid us in this good cause.

Yours very truly,

CHARLES G. HENIGER,  
Mayor.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, without amendment:

H. Con. Res. 175. Concurrent resolution proposing a Code of Ethics for Government service (Rept. No. 1812).

By Mr. O'MAHONEY, from the Committee on the Judiciary, without amendment:

H. R. 11077. An act to incorporate the Veterans of World War I of the United States of America (Rept. No. 1813); and

H. Con. Res. 346. Concurrent resolution commemorating the centennial anniversary of the Lincoln-Douglas debate which was held in Freeport, Ill., on August 27, 1858 (Rept. No. 1814).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 552. A bill to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon the claim of Auf der Heide-Aragona, Inc., of West New York, N. J. (Rept. No. 1816);

S. 1280. A bill for the relief of Antonio da Costa (Rept. No. 1819);

S. 3270. A bill for the relief of Nick Tsalikis (Rept. No. 1820);

S. 3357. A bill for the relief of Arturo Ernesto Audrain y Campos (Rept. No. 1821);

S. 3598. A bill for the relief of Feiga Chirinsky Roseman (Rept. No. 1822);

S. 3641. A bill for the relief of Gertrude Yang Koo (Rept. No. 1823);

S. 3987. A bill granting the consent and approval of Congress to the Tennessee-Tombigbee Waterway Development Compact (Rept. No. 1826);

H. R. 2261. An act for the relief of the Committee of Reference and Counsel of the Foreign Missions Conference of North America (Rept. No. 1815);

H. R. 4330. An act for the relief of Lucia (Castaneda) Sayan and Gloria (Castaneda) Sayan (Rept. No. 1824); and

H. R. 11033. An act to authorize the creation of record of admission for permanent residence in the case of certain Hungarian refugees (Rept. No. 1817).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 3404. A bill for the relief of Doulatram Chattulani Chavez (Rept. No. 1825); and

H. J. Res. 589. Joint resolution for the relief of certain aliens (Rept. No. 1818).

By Mr. SALTONSTALL, from the Committee on Armed Services, without amendment:

H. R. 8850. An act to amend the Universal Military Training and Service Act to authorize additional deferments in certain cases (Rept. No. 1827); and

H. R. 11518. An act to authorize the construction of modern naval vessels (Rept. No. 1828).

## REPRESENTATION OF INDIGENT DEFENDANTS IN FEDERAL CRIMINAL CASES—REPORT OF A COMMITTEE—ADDITIONAL COSPONSOR OF BILL

Mr. WILEY. Mr. President, on behalf of the Senator from Tennessee [Mr. KEFAUVER], from the Committee on the Judiciary, I report favorably, with an amendment, the bill (S. 3275) to provide for the representation of indigent defendants in criminal cases in the district courts of the United States, and I submit a report (No. 1829) thereon. I ask unanimous consent that my name may be added as a cosponsor of the bill, inasmuch as I was a sponsor of a similar bill, S. 3993.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar; and, without objection, the name of the Senator from Wisconsin will be added as a cosponsor of the bill.

Mr. WILEY. Mr. President, I am glad to join as a cosponsor of Senate bill 3275, because it is similar to S. 3993, an administration bill which I introduced on June 12, 1958, at the request of the Attorney General of the United States.

Even more importantly, I support this bill because it will help to assure equal justice under the criminal law for rich and poor alike.



As I think we will all agree, the Bill of Rights is one of the most important parts of the Constitution of the United States.

Guaranteeing the freedom of the individual is basic to our way of life and to the preservation and sanctity of private property.

If a person can be indicted and convicted without adequate legal representation, he has in effect been denied his rights under the Constitution.

This bill will help the poor to obtain the same high class legal services as the rich.

The burden on the voluntary services of the members of the bar has become so great that it is too much to expect them to carry the load all by themselves without the help of a public defender system such as this.

It is my hope that this bill will be quickly passed by the Senate and the House and sent to the White House for approval.

#### REPORTS ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which were referred for examination and recommendation three lists of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted reports thereon, pursuant to law.

#### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURRAY (by request):

S. 4122. A bill to approve an order of the Secretary of the Interior adjusting, deferring, and canceling certain irrigation charges against non-Indian owned lands under the Wapato Indian irrigation project, Washington, and for other purposes; and

S. 4123. A bill to direct the Secretary of the Interior to administer certain acquired lands as revested Oregon and California railroad grant lands; to the Committee on Interior and Insular Affairs.

By Mr. IVES:

S. 4124. A bill for the relief of Melvin H. Baker and Frances V. Baker; to the Committee on the Judiciary.

By Mr. BIBLE (by request):

S. 4125. A bill to amend the Life Insurance Act of the District of Columbia approved June 19, 1934, as amended by the acts of July 2, 1940, and July 12, 1950; to the Committee on the District of Columbia.

By Mr. BRICKER:

S. 4126. A bill for the relief of John E. Doyle; to the Committee on the Judiciary.

By Mr. O'MAHONEY (for himself, Mr. BRICKER, and Mr. MARTIN of Pennsylvania):

S. J. Res. 189. Joint resolution to amend the act of September 7, 1957 (71 Stat. 626), providing for the establishment of a Civil War Centennial Commission; to the Committee on the Judiciary.

#### FEDERAL AVIATION ACT OF 1958—AMENDMENT

Mr. SCHOEPEL (for himself, Mr. BRICKER, and Mr. LAUSCHE) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3880) to create an independent Federal Aviation Agency, to provide for the safe and efficient use of the airspace by both civil and military operations, and to provide for the regulation and promotion of civil aviation in such manner as to best foster its development and safety, which was ordered to lie on the table, and to be printed.

#### STABILIZATION OF PRODUCTION OF CERTAIN MINERALS FROM DOMESTIC MINES—AMENDMENTS

Mr. WILLIAMS submitted amendments, intended to be proposed by him, to the bill (S. 4036) to stabilize production of copper, lead, zinc, acid-grade fluorspar, and tungsten from domestic mines, which were ordered to lie on the table, and to be printed.

#### AGRICULTURAL ACT OF 1958—AMENDMENTS

Mr. PROXMIRE. Mr. President, I submit an amendment which I intend to propose to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities, reported from the Committee on Agriculture and Forestry, when it is brought up for debate. I ask unanimous consent that it be printed and lie on the table.

Mr. President, this amendment would add a new title IV to the bill, to enact a Dairy Products Marketing Act of 1958. This dairy plan conforms to the principles of the dairy program provided for in the comprehensive farm bill, (S. 2952), which I introduced on the first day for the introduction of bills in this session, and in the dairy bill (S. 3456), which I introduced on March 12, on behalf of myself, the junior Senator from Montana [Mr. MANSFIELD], the senior Senator from North Dakota [Mr. LANGER] the junior Senator from Oregon [Mr. NEUBERGER], and the junior Senator from Minnesota [Mr. HUMPHREY.]

Moreover, Mr. President, my present amendment provides a workable and effective plan for helping dairy farmers. It would enable dairy producers to earn more satisfactory incomes than they can at present, and at the same time it would save hundreds of millions for the taxpayers, in the costs of the present inadequate and wasteful programs during recent years.

The VICE PRESIDENT. The amendment will be received and printed, and will lie on the table.

Mr. PROXMIRE. Mr. President, I submit another amendment which I intend to propose to Senate bill S. 4071, reported from the Committee on Agriculture and Forestry. I ask unanimous consent that the amendment be printed, and lie on the table.

Mr. President, this amendment would add a new title IV to the bill to enact a Dairy Stabilization Act of 1958.

The amendment would give dairy producers an opportunity to carry out a self-help dairy program. The provisions of the amendment are identical with those in the bill (S. 3125) introduced on January 27 by the distinguished junior Senator from Minnesota [Mr. HUMPHREY], for himself and for my distinguished colleague, the senior Senator from Wisconsin [Mr. WILEY], and myself, with one single exception: A provision for voting by blocs which appeared in S. 3125 has been omitted from my amendment, so that each dairy producer will cast his own vote in any referendum of producers that is conducted under this program.

Mr. President, this amendment embodies the recommendations of the National Milk Producers' Federation, the major national organization of dairy organizations, which has a great many affiliates in my State of Wisconsin and throughout the country. It is a very good proposal; it is workable, and would enable dairy producers to greatly improve their incomes, to manage their own dairy program on a democratic farmer-controlled basis, with tremendous savings to the taxpayers. Dairy farmers have given this self-help proposal their most careful study over many, many months, and they are for it by an overwhelming majority. I am sorry this proposal was not accepted by the Senate and House committees. But I do feel that the dairy farmers who have given so much time and effort to developing this plan deserve to have it considered by Congress. That is why I propose to offer this plan as an amendment to the farm bill, and I intend to discuss its advantages in greater detail when the amendment is called up.

The VICE PRESIDENT. The amendment will be received and printed, and will lie on the table.

Mr. HAYDEN submitted amendments, intended to be proposed by him, to Senate bill 4071, supra, which were ordered to lie on the table, and to be printed.

Mr. STENNIS (for himself, Mr. EASTLAND, Mr. JOHNSTON of South Carolina, and Mr. TALMADGE) submitted amendments, intended to be proposed by them, jointly, to Senate bill 4071, supra, which were ordered to lie on the table, and to be printed.

#### EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENT

Mr. KENNEDY (for himself, Mr. HUMPHREY, Mr. DOUGLAS, Mr. JAVITS, and Mr. NEUBERGER) submitted an amendment, intended to be proposed by them, jointly, to the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.







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adjusting their productive activity to the conditions created by our national trade policy. The Board could authorize loans, extension of unemployment compensation benefits, employee training, or special tax amortization privileges.

15. FARM PROGRAM. Sens. Johnson and Ellender discussed the scheduling and postponement of the farm bill, and Sen. Johnson indicated that while the bill might be taken up later this week he would not commit himself to this schedule. p. 12532

Sen. Sparkman submitted and discussed two amendments to the Senate farm bill (S. 4071) proposed by himself and Sen. Hill. The amendments would allow in-county leasing of acreage allotments for periods up to 5 years, and exclude the 40 percent surplus production under choice B from consideration when determining the level of price support. p. 12537

At the request of Sen. Bible, passed over S. 4071, the Senate farm bill, during the call of the calendar. p. 12546

16. FORESTRY. Passed with amendment S. 3587, to authorize a study by the Interior Department on establishing a national park in the Wheeler Peak-Helman Caves area, Nev. Adopted an amendment (which, Sen. Bible said, was suggested by this Department) to authorize the Secretary of Agriculture to investigate and report on the suitability of the area for multiple-use management and the impact of national park establishment on existing national forest lands and forest resource users. p. 12547

17. RESEARCH. At the request of Sen. Hruska, passed over S. 4100, to provide for research on industrial use of agricultural products. p. 12548

18. MONOPOLIES. Passed as reported S. 721, to expedite the enforcement of Clayton Act cease and desist orders. pp. 12551-2

19. DAIRY COOPERATIVES. Passed as reported S. 2444, to authorize milk and milk products producers' cooperatives to bargain with purchasers singly or in groups. Sen. Aiken said the Committee amendment limited the scope of the bill to milk and milk products because of the milk marketing agreement program, and added a provision excluding resale price agreements from the scope of the act to satisfy Justice Department questions. pp. 12552-3

20. WATER DEVELOPMENT. Passed without amendment S. 3987, granting the consent of Congress to the Tennessee-Tombigbee Waterway Development Compact. pp. 12554-5

21. CIVIL DEFENSE. At the request of Sen. Hruska, passed over H. R. 7576, to amend the Federal Civil Defense Act of 1950 so as to permit the expansion of the civil-defense activity of the Federal Government to assume more responsibility for the national program. p. 12556

22. FOREIGN AID. At the request of Sen. Hruska, passed over S. Res. 264, urging the establishment of an International Development Ass'n. p. 12556

23. NOMINATIONS. Confirmed the nominations of Frank James Welch and Arnold R. Jones to be members of the Board of Directors of TVA. p. 12557

Sen. Kefauver announced that his doubts as to the qualifications of Mr. Jones had been satisfied by the impression Mr. Jones had created during his interim appointment to the TVA Board. pp. 12593-4



24. ECONOMIC SITUATION. Sen. Bennett discussed monetary policy and inflation in light of the recent hearings of the Senate Finance Committee on the financial condition of the U. S. He discussed the role of the Federal Reserve Board and changes in interest rates and their effect on recent economic changes. Sens. Martin and Bridges commended the speech. pp. 12557-61
25. ELECTRIFICATION. Passed with amendment H. R. 13121, authorizations for appropriations for AEC projects for 1959 (replacing the text with the amended text of S. 4051). Senate conferees were appointed. House conferees have not been appointed. pp. 12561, 12564-74, 12582-93
26. APPROPRIATIONS. Passed with amendments H. R. 13066, the legislative appropriation bill for 1959. Senate conferees were appointed. House conferees have not been appointed. p. 12593-, 12595-8
27. PERSONNEL ETHICS. Sens. Bush and Javits urged a thorough study on a code of ethics for Government employees and stated that adoption of H. Con. Res. 175, to establish such a code, should not be the end of Senate action on this subject. p. 12540, 12544.
28. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the Senate would meet late each night and on Saturday if necessary, to complete consideration of H. R. 12591, the trade agreements extension bill, which was made the Senate's pending business. p. 12598

#### ITEMS IN APPENDIX

29. FOREIGN TRADE. Sen. Johnson inserted a memorandum prepared by former Rep. Lewis W. Douglas setting forth the effect of American trade policies on the stability of the international structure of exchange rates of foreign currencies in relation to the dollar. pp. A6315-16  
Sen. Thurmond inserted a newspaper editorial commending the action of the Senate Finance Committee "in amending the escape clause provisions of the Trade Agreements Act." p. A6341
30. SURPLUS COMMODITIES. Rep. Beamer inserted a newspaper editorial, "Surplus Crop Disposal in Trouble," favoring enactment of legislation for the extension of Public Law 480. p. A6321
31. WATER POLLUTION. Rep. Beuss inserted an address by the mayor of Milwaukee discussing the problems of water pollution and waste disposal. pp. A6322-23
32. APPROPRIATIONS. Rep. Beamer inserted a newspaper editorial favoring reductions in appropriations for the foreign aid program. pp. A6323-24
33. CIVIL DEFENSE. Rep. McDonough inserted an address by Leo A. Hoegh, Director of Defense and Civilian Mobilization, "Summary of the Proposed National Civil Defense Plan." pp. A6326-28
34. FRUITS AND VEGETABLES. Rep. Anfuso inserted a magazine article, "Shocking Facts About Fruits and Vegetables You Eat," discussing unsanitary conditions in the markets of several major cities; and he urged enactment of H. R. 4504, to provide Federal aid in the development of marketing facilities. pp. A6328-31
35. FORESTRY. Sens. Murray and Neuberger inserted several articles discussing the need for legislation to preserve the timber lands of the Klamath Indians. pp. A6333-34, A6337-38, A6341



anarchy. We shall have seen the denial to the people of the Middle East of the solemn guaranties written into the U. N. Charter. We also know, as does the Government of Lebanon, that recent events in the area demonstrate a ruthlessness of aggressive purpose which tiny Lebanon cannot combat without support from other friendly nations.

We confront here a situation involving outside involvement in an internal revolt against the authorities of the legitimate Government of Lebanon. Under these conditions a request from the Government of Lebanon to another member of the United Nations to come to its assistance is entirely consistent with the provisions and purposes of the United Nations Charter. In this situation we are proceeding in accordance with the traditional rules of international law, none of which in any way inhibit action of the character which the United States is undertaking in Lebanon. The United States is acting pursuant to what the U. N. Charter regards as an inherent right—the right of all nations to work together to preserve their independence. The Council should take note that United States forces went to Lebanon at the specific request of the duly-constituted Government of Lebanon. Let me also emphasize again that these forces will remain there only until the U. N. itself is able to assume the necessary responsibilities to ensure the continued independence of Lebanon.

One further factor must be recognized. If the United Nations is to succeed in its efforts to maintain international peace and security it should support the efforts of a legitimate and democratically elected government to protect itself from aggression from without, even if that aggression is indirect. The U. N. must be particularly alert in protecting the security of small states from interference by those whose resources and power are larger. This is a principle which has been supported here in this very hall in the past and which should be supported today regardless of who the offender may be.

Lebanon is a charter member of the U. N. and has loyally contributed to its work over the past decade. It would be unthinkable now to permit the lawfully constituted Government of Lebanon to fall prey to outside forces which seek to substitute a government which would serve their purposes in defiance of the principles of the Charter.

There can be no hope for peace in the world unless the United Nations shows this dedication to the basic principle of the Charter. All nations, large and small alike, are entitled to have their political independence and territorial integrity respected and maintained. If we vacillate with respect to this proposition, the result will be to open the floodgates to direct and indirect aggression throughout the world.

The overthrow of another state by subversion and the fomenting of internal strife is more difficult for the world to combat than is direct military aggression because the fomenting of internal strife is harder to see with your eyes. This is not the first time that the United Nations has faced such a problem. The United Nations faced such a problem successfully in Greece in 1946 when Soviet sponsored insurrection threatened to overwhelm the Greek Government, and the United Nations did so successfully in 1948 when the Communist coup—unsuccessfully I should say—the United Nations did so unsuccessfully in 1948 when a Communist coup was perpetrated in Czechoslovakia. The United Nations sought to provide means for dealing with such aggressive means in the future when in 1949 and in 1950 it adopted the Peace Through Deeds resolution of the General Assembly.

If the Council will forgive a personal look I recall the Peace Through Deeds resolution because I actively worked to obtain

its adoption the first time I was a member of the delegation to the United Nations in 1950. At this time I read a paragraph in the statement I made at that time on behalf of the United States, and I quote: The eight-power resolution not only reaffirms that when any nation resorts to any aggression it is the gravest of all crimes against the peace and security of the world, but it also freshens, modernizes, and brings up-to-date and makes more complete our concept of aggression by specifically including the latest form of aggression, to-wit, fomenting civil strife.

Let me now quote some of the provisions of this resolution which was adopted here in the General Assembly in 1950 and I quote—it is very short—"Condemning intervention of a state in the internal affairs of another state for the purpose of changing its legally established government by the threat or use of force; one, solemnly reaffirms that whatever the weapons used any aggression, whether committed openly or by fomenting civil strife in the interests of a foreign power or otherwise is the gravest of all crimes against peace and security throughout the world; two, determines for the realization of lasting peace and security that it is indispensable, one, that prompt united action be taken to meet aggression wherever it arises," and I quote from the resolution of 1950, which I submit applies very definitely to the situation which confronts us today. Remember, Mr. President, that the Government of Lebanon who a cosponsor of this resolution and the present Foreign Minister of Lebanon was its spokesman; remember that the first representative in the General Assembly to raise the issue of subversion and civil strife was the representative of Greece, which was just then overcoming the effects of Communist subversion; remember the first language of our resolution was introduced on that occasion by the representative of Bolivia, and, two, the resolution in final form was established between France, Lebanon, Mexico, Netherlands, the United Kingdom, United States, Bolivia, and India.

Remember finally that the resolution condemning the fomenting of civil strife in the interests of a foreign power—that is what it is—was adopted by a vote of 50 to 5, the Soviet bloc being significantly against it. It is a good thing to think about today—and solemnly affirmed any aggression which foments civil strife in the interests of a foreign power was one of the gravest of all crimes against the peace and security throughout the world. The General Assembly clearly had in mind just such a situation as that which we face.

The integrity and independence of a nation is as precious when it is attacked from outside by subversion and erosion as when it is attacked in the field by military action.

Mr. President, I conclude and I do so by saying to my colleagues in the Security Council to remember this one more fact: The members of the League of Nations tolerated direct and indirect aggression in Europe, in Asia, and in Africa during the 1930's and the tragic result was to strengthen and stimulate aggressive forces in such a way that World War II became inevitable. The United States, for its part, is determined that history shall not now be repeated. We hope and believe that the action which we are taking will bring stability and that United States forces now being sent into Lebanon at the request of its government can be promptly withdrawn. We must, however, be prepared to meet the situation whatever the consequences may be.

We strive for a world in which nations, great or small, can preserve their independence. This is an ideal which is close to the heart of every American, and, we believe it is close to the hearts of all free men.

We believe that the action that the United States is now taking is consistent with the

principles and purposes of the United Nations and will promote the cause of world peace.

Mr. MANSFIELD. Mr. President, I would be less than honest if I did not say that I am doubtful of the wisdom of landing American Marines in Lebanon at this time. I make that statement because I think the action undertaken by our Government is one which may have momentous consequences in the weeks, the months, and possibly the years ahead. I would point out that this action has not been taken under any of the aspects or specifications of the so-called Eisenhower Doctrine, nor does it come within the confines of the Tripartite Agreement entered into in 1950 by the United States, the United Kingdom, and France.

I make this statement not as a Johnny-come-lately or as a Monday morning quaterback, because some of us have been talking on the floor of the Senate about what might be pursued in the way of policy in an attempt to bring about an amelioration or an end of the struggle in Lebanon, which is now in its tenth week.

I think I am correct in saying to the Senate I made my position fairly well known in the White House conference of yesterday. However, the President, in his constitutional capacity as Commander in Chief, and based on the reserved powers contained therein, has made a decision which, in his opinion, affects the security of our country. That decision having been made, I will do my very best as a Senator to support the action taken.

Mr. President—

The VICE PRESIDENT. The Senator from Montana.

#### JOINT COMMITTEE ON CENTRAL INTELLIGENCE

Mr. MANSFIELD. Mr. President, it is my intention to resubmit today a concurrent resolution to provide for a Joint Committee to oversee the Central Intelligence Agency.

The sense of shock which all of us feel about the most serious developments in the Middle East is based very greatly on our sense of surprise at these developments. It appears that we are not so well informed as we should be.

So far as I know, the Congress has willingly granted to the intelligence services the funds and personnel requested by the administration.

It seems clear that there has been a failure somewhere. There are only three possibilities:

The intelligence services are not providing our Government with the necessary information; or

The information is not being properly evaluated here in Washington; or

The evaluation is not being properly acted upon by the policymakers.

It is the duty of the Congress to find out. In a democracy every executive function should be subject to legislative review. This can be done with the proper security safeguards. It is being done with the FBI, which is subject to congressional scrutiny. But this review



must be a continuing one by well-informed legislators who can devote sufficient time to this work.

The events in Iraq of yesterday have burst upon us like a bombshell. Certain unfortunate developments during the Vice President's South American trip recently also caught us by surprise. Although this is late in the session, it is my hope that there will be sufficient time for hearings on this concurrent resolution. If it turns out there is not such time, I plan to resubmit the concurrent resolution at the beginning of the next session if I am reelected.

Mr. President, I send to the desk a concurrent resolution and ask that it be appropriately referred.

The VICE PRESIDENT. The concurrent resolution will be received and referred.

The concurrent resolution (S. Con. Res. 101), submitted by Mr. MANSFIELD, was referred to the Committee on Armed Services, as follows:

*Resolved by the Senate (the House of Representatives concurring),* That there is hereby established a Joint Committee on Central Intelligence to be composed of 6 Members of the Senate to be appointed by the President of the Senate, and 6 Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. Of the 6 members to be appointed from the Senate, 3 shall be members of the Central Intelligence Agency Subcommittee of the Committee on Appropriations of the Senate, and 3 shall be members of the Central Intelligence Agency Subcommittee of the Committee on Armed Services of the Senate. Of the 6 members to be appointed from the House of Representatives, 3 shall be members of the Central Intelligence Agency Subcommittee of the Committee on Appropriations of the House of Representatives, and 3 shall be members of the Central Intelligence Agency Subcommittee of the Committee on Armed Services of the House of Representatives. Not more than four members appointed from either the Senate or the House of Representatives shall be from the same political party.

SEC. 2. (a) The joint committee shall make continuing studies of the activities of the Central Intelligence Agency and of problems relating to the gathering of intelligence affecting the national security and of its coordination and utilization by the various departments, agencies, and instrumentalities of the Government. The Central Intelligence Agency shall keep the joint committee fully and currently informed with respect to its activities. All bills, resolutions, and other matters in the Senate or the House of Representatives relating primarily to the Central Intelligence Agency shall be referred to the joint committee.

(b) The members of the joint committee who are Members of the Senate shall from time to time report to the Senate, and the members of the joint committee who are Members of the House of Representatives shall from time to time report to the House, by bill or otherwise, their recommendations with respect to matters within the jurisdiction of their respective Houses which are (1) referred to the joint committee, or (2) otherwise within the jurisdiction of the joint committee.

SEC. 3. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original selection. The joint committee shall select a chairman and a vice chairman from among its members.

SEC. 4. The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such places and times, to require, by subpoena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report public hearings shall not be in excess of the amounts prescribed by law for reporting the hearings of standing committees of the Senate.

SEC. 5. The joint committee is empowered to appoint such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable. The committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government on a reimbursable basis with the prior consent of the heads of the departments or agencies concerned and the Committee on Rules and Administration.

SEC. 6. The expenses of the joint committee, which shall not exceed \$250,000 per year, shall be paid from the contingent fund of the Senate.

#### THE FARM BILL

Mr. ELLENDER. Mr. President, will the Senator from Texas permit me to ask him a question?

Mr. JOHNSON of Texas. Certainly.

Mr. ELLENDER. I wish to say that we had scheduled for 2 o'clock this afternoon a conference on the public works appropriation bill. I wonder whether the majority leader will kindly advise us what the program for today is, particularly with reference to the farm bill, which was to come up today. It is calendar 1801, Senate bill 4071.

Mr. JOHNSON of Texas. It is my information that we plan to have a call of the calendar today. Then there will be a speech of perhaps 1 hour's duration by the very able junior Senator from Utah [Mr. BENNETT].

We shall have as the pending business the Atomic Energy Commission authorization bill. There is some controversy regarding that bill. Some amendments to it probably will be offered. It authorizes appropriations for the Atomic Energy Commission. I understand that an authorization item amounting to approximately \$50 million or \$60 million was not submitted to the Bureau of the Budget for its approval; and an amendment to reduce the amount or to strike out that part of the bill may be submitted.

In addition, I expect that perhaps the Senate will consider some noncontroversial bills during the afternoon.

But I do not expect the Senate to reach the agricultural bill today.

Mr. ELLENDER. Can the Senator from Texas inform us of the plan to take up the farm bill?

Mr. JOHNSON of Texas. The plan is to take up the farm bill at some time satisfactory to as many Members as possible. I hope that will be later in the week. But at this moment I cannot give the Senator from Louisiana any positive assurance.

Mr. ELLENDER. The Senator from Texas knows that action on the farm

bill was delayed last week because of the absence of the distinguished junior Senator from Minnesota [Mr. HUMPHREY], due to the illness of his brother.

Mr. JOHNSON of Texas. I would say that action on the bill has been delayed for several reasons; I do not wish to mention specific persons in that connection. But I may say that what the Senator from Louisiana has stated is not necessarily the reason.

Mr. ELLENDER. The Senator did not permit me to complete my statement. The only reason assigned to me last week was because of the absence of the Senator from Minnesota [Mr. HUMPHREY].

Mr. JOHNSON of Texas. The Senator is speaking of the reasons for the delay. I do not want to attach to a Senator a responsibility that is not completely his. There are a number of reasons why we have not taken up the farm bill.

Mr. ELLENDER. Will the Senator from Texas inform the Senate whether or not we can expect to take up the farm bill this week?

Mr. JOHNSON of Texas. I cannot at this time.

Mr. ELLENDER. The Senator from Texas cannot. So that no action is contemplated so far as the Senator from Texas now knows?

Mr. JOHNSON of Texas. No; I would not say that. I would say no action so far as giving a firm commitment at this time is contemplated. Later in the day I shall be glad to have a discussion with the Senator, following our usual method of trying to work such matters out in a manner satisfactory to members of the committee and to the Senate itself; but at the present time I cannot make a commitment that the bill will come up this week.

Mr. ELLENDER. I am here, prepared to go ahead, as the Senator knows, in keeping with a previous understanding that the bill would be considered today.

Mr. JOHNSON of Texas. The Senator from Louisiana is always prepared. No Member of the Senate does more work than the Senator from Louisiana, and I doubt that many Senators do as much. One reason why I am glad we are not going to take up the bill is that the Senator from Louisiana will be able to take up the conference report on the public-works bill.

Mr. ELLENDER. I have just been informed that the conference has been postponed. I suggested to the senior Senator from Florida [Mr. HOLLAND] that he come here from his home in Florida in the hope that both the conference report and the farm bill would be considered. The House has not yet appointed conferees to consider the public-works appropriation bill. That is a reason why I was trying to get the farm bill taken up today. My fear is, if we do not get the farm bill up this week, we may as well forget about it.

Mr. JOHNSON of Texas. I would not go that far.

Mr. ELLENDER. I do not want to have the blame put upon me if the Senate fails to consider the farm bill.

Mr. JOHNSON of Texas. The Senator from Texas never blames the Senator from Louisiana for anything.



grave, inasmuch as there are approximately 5 million retarded children and adults in the United States.

There exist in various parts of the country excellent inspired groups which are organized to provide aid to the mentally retarded, and to stimulate those who are not affected by this unfortunate circumstance to take cognizance of the problems which exist in families and among children who are affected.

I am proud to say that in my State of Connecticut there are two excellent training schools for the mentally retarded. One is the Mansfield Training School, and the other the Southbury Training School. I have visited both institutions. I am proud to say that the founder and executive of the Southbury Training School for many years has been a friend of mine, is a very outstanding citizen, and is regarded in the United States as one of the leading authorities on the treatment and handling of mentally retarded children and adults.

Associations for aid to the mentally retarded are very eager to bring before the public the necessities involved in the treatment of such persons. To that end they have asked me to introduce—and I am very happy to introduce—a joint resolution providing that during the period commencing November 16 and ending November 28, 1958, the people of the United States shall be urged to give special consideration to the needs and rights of the retarded children of the Nation.

I ask unanimous consent that a copy of the joint resolution be printed in the RECORD at this point as a part of my remarks, and that the joint resolution be appropriately referred.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S. J. Res. 191) to provide that during the period commencing November 16 and ending November 28, 1958, the people of the United States be urged to give especial consideration to the needs and rights of the retarded children of the Nation, introduced by Mr. BUSH, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas under the American way of life, the dignity and importance of every individual is recognized; and

Whereas it is important that proper consideration be given to the needs and rights of the Nation's over 5 million retarded children and adults; and

Whereas it is a known fact that retarded children can, with proper and adequate facilities, develop fuller potentialities, and in many cases can become happy, contributing members of society; and

Whereas the Congress realizes its responsibility to help provide understanding and constructive help to mentally retarded children and adults everywhere: Now, therefore, be it

*Resolved, etc.,* That the President is authorized and requested to issue a proclamation calling upon the people of the United States to give especial consideration to the plight of the retarded children of the Nation

during the period commencing November 16 and ending November 28, 1958, and urging the people of the United States to give their heartfelt support during such period to the appeal of the National Association for Retarded Children and its more than 600 member units in every State in the Union for assistance in carrying out the program of such association for the benefit of the retarded children of the Nation.

#### AGRICULTURAL ACT OF 1958— AMENDMENTS

Mr. SPARKMAN. Mr. President, on behalf of myself, and my colleague, the senior Senator from Alabama [Mr. HILL], I submit two amendments, intended to be proposed by us, jointly, to the bill (S. 4071) to provide more effective price, production, adjustment, and marketing programs for various agricultural commodities. I ask unanimous consent that the amendments be printed and lie on the table, and that each amendment, together with a brief statement in explanation thereof, be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and will lie on the table; and, without objection, the amendments and explanations will be printed in the RECORD.

The amendments and accompanying statements are as follows:

On page 14, between lines 14 and 15, add the following new section:

##### "LEASING OF ACREAGE ALLOTMENTS

"SEC. 108. The Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end of subtitle C the following new section:

##### "LEASING OF ACREAGE ALLOTMENTS

"SEC. 378. (a) Notwithstanding any other provisions of law, the owner or operator of any farm assigned an acreage allotment for upland cotton under the provisions of section 344 may lease, as provided in subsections (a) and (b) of this section, such acreage allotment or any portion thereof to any other owner or operator of a farm in the same county for use in such county. Any such acreage allotment or portion thereof may be utilized by the farm to which it is leased as if such acreage allotment or portion thereof were assigned under the provisions of such section 344.

"(b) Any such lease shall be made on such terms and conditions, except as otherwise provided in this section, as the parties thereto shall agree. No such lease shall be entered into for any period in excess of 5 crop years.

"(c) The lease of any acreage allotment shall not be effective until a copy of such lease is filed with the county committee of the county in which the acreage allotment was made.

"(d) The lease of any acreage allotment shall not affect the acreage allotment of the farm from which such acreage allotment is leased or the farm to which it is leased, except with respect to the crop year or years specified in the lease; and the amount of acreage of the acreage allotment leased shall be considered for purposes of future State, county, and farm acreage allotments to have been planted on the farm from which such acreage allotment was leased in the crop year or years specified in the lease.

"(e) The Secretary shall issue such regulations as are necessary to carry out the provisions of this section."

Renumber sections 108 to 110, inclusive, as sections 109 to 111, respectively.

The statement in explanation of the foregoing amendment is as follows:

This amendment permits a farmer to whom cotton allotment has been made to lease for a period of 5 years such allotment within the county in which the allotment is made. The wording of the amendment itself explains the terms, provisions, etc., under which the leasing is to be made.

On page 2, line 10, insert after the word "year" the word "not."

The statement in explanation of the foregoing amendment is as follows:

This amendment is self-explanatory. It has the effect of excluding from consideration in determining the level of price support that cotton grown on surplus acres; that is on the acreage that constitutes the 40 percent extra acreage under choice B.

The main argument for this amendment is that it gives greater protection to the farmer actually growing the cotton. It is generally conceded that under S. 4071, the bill reported by the Senate Agriculture Committee, most farmers, especially those of Alabama and the Southeast that grow cotton on relatively small acreage, will realize less cash from cotton grown than they would realize should they be given a 20 percent reduction as is contemplated under existing legislation.

To prevent cotton grown on the 40 percent surplus acreage from being counted as part of the supply on hand in determining the level of price support would give more adequate protection to the relatively small farmer and would prove especially beneficial to small cotton growers. Actually, it would also result in a higher level of price support for those who take choice B.

It seems reasonable to me to give some protection to the grower and not to place him in the position of growing more acreage at less profit.

#### SMALL-BUSINESS TAX BILL—ADDITIONAL COSPONSOR OF BILL

Mr. SPARKMAN. Mr. President, I have been informed that the House Ways and Means Committee yesterday reported a small-business tax bill. This is heartening news for all of us who have been working for such tax adjustment during this session of Congress. I have not had an opportunity to study the proposed legislation reported by the House committee, but I am sure it represents a good start toward the adjustments to our tax system to permit small business to grow and prosper. There is every reason to believe that the House will pass this bill within the next few days.

The Small Business Committee held extensive hearings on the tax problems of small business last fall. The record of these hearings and the committee report will be made available to the Finance Committee for its use during its consideration of the proposed legislation. I am hopeful that this will in some small way assist that committee and expedite the handling of the matter.

The result of our Small Business Committee tax study of last year was the introduction of the bill (S. 3194) to amend the Internal Revenue Code of 1954 so as to establish an initial program of tax adjustment for small and independent business and for persons engaged in small and independent business early in this session. Senate bill 3194, the small-business tax-adjustment bill of 1958, is an omnibus measure designed



to facilitate the growth and development of small business with the least possible cost to the revenue of the Federal Government. It is almost completely an elimination of features in the Internal Revenue Code of 1954 which discriminate against small businesses and their owner-operators. There is no attempt to grant special favor in this legislation.

It cannot be pointed out too often that there are over 4 million small businesses in this country. They are the greatest job makers. They are great consumers. They are great producers. To a very large extent, the whole economy is dependent on the welfare of small business. It can honestly be said that what is good for small business is good for the country.

I am happy to report again that a majority of the Senate has seen fit to join in sponsoring Senate bill 3194. I ask unanimous consent that the name of the Senator from Michigan [Mr. POTTER] may be added as a sponsor of this proposed legislation.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, this brings to 50 the number of Senators who have offered this bill for the welfare of small business and the general good of the country.

As printed, S. 3194 carried only 16 Senators as sponsors. Since that time, 34 other sponsors have joined the sponsors of that measure. I believe it is only fair that all of the sponsors should be named on the face of this proposed legislation.

For that reason, I express the hope that there may be a new printing of S. 3194, and I ask that when and if there is such a reprinting, the names of all 50 sponsors may be printed.

The VICE PRESIDENT. Without objection, it is so ordered.

#### AGRICULTURAL ACT OF 1958—ADDITIONAL COSPONSOR OF AMENDMENT

Mr. FULBRIGHT. Mr. President, yesterday, July 14, the junior Senator from Mississippi [Mr. STENNIS], for himself and for the senior Senator from Mississippi [Mr. EASTLAND], submitted an amendment intended to be proposed by them to Senate bill 4071, the Agricultural Act of 1958.

I ask unanimous consent that my name be added as a cosponsor of the proposed amendment.

The VICE PRESIDENT. Without objection, it is so ordered.

#### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. JOHNSON of Texas:  
Memorandum on foreign aid and foreign trade issues, prepared by Lewis W. Douglas.

By Mr. WILLIAMS:  
Address delivered by Senator FREAR on the occasion of the Camden-Wyoming Fire Co.

celebration of the burning of the mortgage against its building and equipment.

By Mr. REVERCOMB:  
Memorial Day address delivered by Rev. John F. Streng, pastor, St. James Lutheran Church, Wheeling, W. Va.

Winning essay of the Americanism contest, American Legion Auxiliary, Department of West Virginia, 1958, written by Thomas Bee, of Parkersburg, W. Va.

By Mr. PROXMIRE:  
Letter and statement relating to research from C. A. Elvehjem, president, the University of Wisconsin, dated July 2, 1958.

Editorial entitled "Question of Survival," published in the Washington Post of July 15, 1958.

GTA Daily Radio Roundup, published by the Farmers' Union Grain Terminal Association of St. Paul, Minn., July 10, 1958.

By Mr. THURMOND:  
Editorial entitled "Why Not Learn From Alaska?" published in the Greenville News, of Greenville, S. C., on July 14, 1958.

Editorial entitled "Last Word on Tariffs," published in the New York Daily News of July 12, 1958.

By Mr. NEUBERGER:  
Letter addressed to Representative CLAIRE ENGLE from Nelson Reed, of the Oregon Klamath River Commission; also a resolution by that organization, the California Klamath River Association, and the Klamath Water Users Protective Association.

Editorial entitled "Klamath Bill a Must," published in the Oregonian of June 29, 1958, dealing with the Klamath Reservation Disposal Act.

Article from Astorian-Budget, of Astoria, Oreg., dated July 9, 1958, being a report on the Corps of Engineers hearings on the proposal to span the mouth of the Columbia River on U. S. Highway 101.

Article entitled "If We Are To Win the Colder War," written by Lester Markel and published in the New York Times magazine for July 13, 1958, dealing with the necessity for an informed public opinion.

By Mr. MURRAY:  
Article entitled "Time To Save Klamath Indian Timber Is Running Out," published in the July 15 issue of Conservation News, published by the National Wildlife Federation.

By Mr. WILEY:  
Article entitled "University of Wisconsin Explores Unknown, New Booklet Tells How," published in the Milwaukee Journal of July 13, 1958; and excerpts from report entitled "Exploring the Unknown," published by the University of Wisconsin.

#### NOTICE OF HEARING ON NOMINATION OF HARRY R. HEWITT, TO BE FIFTH JUDGE, FIRST CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, July 22, 1958, at 10:30 a. m., in room 424, Senate Office Building, on the following:

Harry R. Hewitt, of Hawaii, to be fifth judge, first circuit, circuit courts, Territory of Hawaii, for a term of 6 years.

At the indicated time and place persons interested in the above nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Indiana [Mr. JENNER], and myself, as chairman.

#### EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may be permitted to proceed for 6 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. DOUGLAS. This body will shortly have before it the reciprocal-trade bill, and statements will undoubtedly be made that the present organization of reciprocal trade does not provide sufficient protection for the industries of this Nation.

As we all know, some 10 years ago the escape clause was first invoked by Executive order and later written into the Reciprocal Trade Act; and, it has been continued in that act since then. There have been some 83 applications for relief under the escape clause. Seventeen of those have been duplicates, leaving 66 separate industries which have made application. Eighteen of these were withdrawn, either at the request of the applicant or after preliminary investigation; leaving 48 commodities or articles for which application was made for escape-clause investigation.

The American Association of Hardwood Plywood Users has made an analysis of the 48 industries, and I have a list which I think is extremely important and which indicates that the vast majority of cases are of minor importance. I shall read the list and make comments on the items.

Spring clothespins, which can hardly be regarded as essential to national security.

Wood screws, which would not seem to be an industry of appreciable importance.

Blue mold cheese, which is delectable, but which would not be a major item.

Motorcycles and parts, which is an important industry.

Groundfish fillets.

Bicycles and parts.

Glacé cherries, which I would not think would be an essential industry to the national security, however delectable they may be.

Bonito and tuna, which is an important industry to the west coast.

Household china tableware.

Pregnant mares' urine. I am at a loss to understand the importance of this industry, or precisely how much of a protective tariff it needs, or how the domestic supply should be protected, and what would happen if it were not protected. Nevertheless, there is apparently an association trying to get higher tariffs for pregnant mares' urine.

Chalk whitening.

Woodwind musical instruments.

Cotton-carding machinery.

Metal watch bracelets and parts.

Rosaries; which should be above economic consideration.

Mustard seeds; which do have the capacity for great growth, as the Bible reminds us, but which again would not seem to be a vital agricultural industry.

Ground chicory.

Coconuts. I had not realized that we grew a large quantity of coconuts in the United States.

Wool gloves and mittens.



### THE ALL-STAR MARYLAND POLITICAL TEAM

Mr. BRIDGES. Mr. President, last week the all-stars of baseball played in Baltimore, Md., the home of my good friend, JOHN MARSHALL BUTLER. Holmes Alexander, a political analyst of wide reputation, took that occasion to select a bipartisan all-star Maryland political team.

It is most heartening to note that the distinguished senior Senator from Maryland was picked for the position of right field with this appraisal of his political acumen and experience:

As a militant rightwinger who is building up a name for himself in Washington there is Senator JOHN MARSHALL BUTLER. There is not an ounce of malice in this man, and his excursions into ultraconservatism are of a constitutional nature. Thus the charges of smear and sensationalism which are often—though not always justly—associated with a politician who plays deep in right field simply do not apply to BUTLER. He is kindly toward persons and gentle toward institutions.

Mr. President, I found Holmes Alexander's article entitled "The Political All-Stars" so interesting that I ask unanimous consent to have it printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore News-Post of July 11, 1958]

#### THE POLITICAL ALL-STARS (By Holmes Alexander)

Now that Baltimore has been host to the all-star game, it seems appropriate to pick an all-star Maryland political team. Every fan will have his own choices and all are cordially invited to make them known to this column. Meanwhile, as viewed from the press box by this reporter, the star performers within convenient memory would be as follows:

First base: The position calls for a tall man with gracefulness and poise in the field, and a punishing big stick on the offense. Since the first baseman performs his feats closer to the crowd than any other player, he often becomes a special favorite of the fans and a kind of heroic symbol of the game. Nobody in Maryland public life fits this position better than former Senator Millard E. Tydings.

Second base: Aside from the routine handling of hard-hit balls to the left and right, this position requires the extraordinary skill of making the pivot play. Mayor Tommy D'Alesandro falls perfectly into this slot. He has never been much of a run producer. As a legislator in Annapolis and Washington and as a city councilor, he left no memorable record of lawmaking. But Tommy has the administrator's knack of taking other men's throws and turning them into dazzling doubleplays. This is how he acquired a big league franchise for Baltimore when the idea was deemed impossible.

#### A NIMBLE SHORTSTOP

Shortstop: It is a position that requires nimbleness of foot and deftness of hand. In his heyday nobody moved faster and handled his several political jobs more surely than former governor-Senator Herbert R. O'Connor. In fact, the Maryland Democrats could use this undefeated star of yesteryear in several weak spots in their lineup today.

Third base: This is rightly called the hot corner. Many of the hard smashes down the line are of the do-or-die variety which are

just as likely to bounce into the player's glove or hit him in the teeth or go between his heels. It is not a position from which to court flattery. A star at third base must have a hard nerve and a tough skin. My choice for the most unappreciated politician of our day is former Gov. W. Preston Lane, Jr., who had the nerve to take and who took a rather unjust and unmerciful public razzing for doing a job that made others look good.

Center field: For a man who roams far and wide, who else than Gov. Theodore Roosevelt McKeldin? In center field you like a man who can make his voice heard from a distance, and there hardly breathes a Marylander who hasn't heard the well-known McKeldin accents.

Right field: As a militant rightwinger who is building up a name for himself in Washington there is Senator JOHN MARSHALL BUTLER. There is not an ounce of malice in this man, and his excursions into ultraconservatism are of a constitutional nature. Thus the charges of smear and sensationalism which are often—though not always justly—associated with a politician who plays deep in right field simply do not apply to Butler. He is kindly toward persons and gentle toward institutions.

#### NO REAL LEFTISTS

Left field: Actually Maryland has never produced a real inarticulate leftist in important public office. We have our eggheads of the country club intelligentsia, and one of our universities has produced some left wing beauts, but the closest thing to an established and unrepentant New Dealer was former Congressman David Lewis of the Western Maryland (Sixth) District. It was Lewis whom President Roosevelt picked to purge Senator Tydings in 1938, and it ended the career of a really first-class fellow.

Pitcher: It would be next to impossible to dispute the supremacy in this spot of the late Gov. Albert C. Ritchie. Marylanders with long memories or with an interest in the recent past will recall how this four-time occupant of the mansion virtually took Maryland's somewhat creaky governmental machinery apart, modernized it without changing its essential nature and then stayed around just one term too many. But despite his defeat for a fifth try and his lonely death soon afterward, Ritchie left a brilliant reputation and a recollection of grandeur behind him.

Catcher: A star pitcher works best with his favorite catcher. For this reason my all-star selection would be Ritchie's favorite henchman, Col. E. Brooks Lee. In the heyday of the Ritchie regime the huge imposing figure of Montgomery County's latter day boss would tower from the floor and rostrum of the house of delegates and legislation would flow like a torrent to the tune of his commands.

### LANDING OF UNITED STATES MARINES IN LEBANON

Mr. BEALL. Mr. President, now is the time to shut up or put up.

The news of the landing of Marines in Lebanon gives us pause. The decision was the President's, and it was the only decision he could make. In his statement released this morning, the reasons leading to his decision were given, and I need not repeat them.

Needless to say, I support the President's position in dispatching a contingent of United States forces to Lebanon to protect American lives, and by their presence there to encourage the Lebanese government in defense of Lebanese sovereignty and integrity. The action followed an urgent plea from the

President of Lebanon. We are obligated to come to the aid of a free sister nation whose sovereignty is threatened by anti-Western sources.

Mr. President, I would go further, and say that now is the time for us to take a firm position against the encroachment of communism. Now is the time to stand up and say to Communist Russia, which undeniably has designs on communizing the world, "Thus far and no farther."

We have backed off here; we have backed off there; we have compromised. All in the good cause of peace. That is all very well, but let us not fool ourselves—if we are not to succumb, I am convinced that sooner or later we must take a firm stand, and it seems to me that the sooner we do this the better.

If we are firm now, I believe that another World War can be avoided.

Let us protect American lives everywhere in the world. Let us protect American dignity everywhere in the world. Let us uphold the provisions of the Charter of the United Nations. Let us once again prove by our actions that we are worthy of our heritage.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 655. An act for the relief of Brigadier General Chester W. Goble;

S. 2621. An act for the relief of Olive V. Rabiniaux; and

S. 2833. An act to provide for the conveyance of the interest of the United States in and to certain fissionable materials in a tract of land in the county of Alamance, State of North Carolina.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 10320) to provide for additional charges to reflect certain costs in the acceptance of business reply cards, letters in business reply envelopes, and other matter under business reply labels for transmission in the mails without prepayment of postage, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1850) to adjust conditions of employment in departments or agencies in the Canal Zone.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 12858) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority for the fiscal year ending June 30, 1959, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. RABAUT, Mr. KIRWAN, Mr. JENSEN, and Mr. TABER were appointed managers on the part of the House at the conference.



## ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 7863. An act to amend the District of Columbia Alcoholic Beverage Control Act; and

H. R. 10069. An act to amend the act of August 5, 1953, creating the Corregidor Bataan Memorial Commission.

## CALL OF THE CALENDAR

The PRESIDING OFFICER (Mr. CASE of New Jersey in the chair). Is there further morning business? If not, morning business is closed.

Pursuant to the order previously entered, the calendar will now be called for the consideration of measures to which there is no objection, commencing with Order No. 1774.

The first measure in order on the calendar will be stated.

## GEORGE PIERRE SAVIOLIDIS AND OTHERS

The bill (S. 2188) for the relief of George Pierre Saviolidis, Ethen Saviolidis, his wife, and William Saviolidis, his son, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted*, That, for the purposes of the Immigration and Nationality Act, George Pierre Saviolidis, Ethel Saviolidis, his wife, and William Saviolidis, his son, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

## VICTORIANO DAVIZ VERASTIQUE

The bill (S. 3303) for the relief of Victoriano Daviz Verastique (Victor Davis) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted*, etc., That, notwithstanding the provisions of paragraph (19) of section 212 (a) of the Immigration and Nationality Act, Victoriano Daviz Verastique (Victor Davis) may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act. This act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this act.

## MIRKO J. PITNER

The bill (H. R. 4044) for the relief of Mirko J. Pitner was considered, ordered to a third reading, read the third time, and passed.

## MARIA ALMA DIZON

The bill (H. R. 5084) for the relief of Maria Alma Dizon was considered,

ordered to a third reading, read the third time, and passed.

## MARIA GIANNALIA

The bill (H. R. 7987) for the relief of Maria Giannalia was considered, ordered to a third reading, read the third time, and passed.

## AGRICULTURAL ACT OF 1958—BILL PASSED OVER

The bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities was announced as next in order.

Mr. BIBLE. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

## ROBERT KARIA

The bill (S. 92) for the relief of Robert Karia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted*, etc., That, notwithstanding the provisions of section 212 (a) (19) of the Immigration and Nationality Act, Robert Karia may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.

## PROHIBITION OF REMOVAL TO DISTRICT COURTS OF ACTIONS COMMENCED IN STATE COURTS—BILL SENT TO FOOT OF CALENDAR

The bill (S. 1615) to prohibit the removal to district courts of the United States of actions commenced in State courts under State workmen's compensation laws was announced as next in order.

Mr. HRUSKA. Mr. President, I ask unanimous consent that the bill, S. 1615, go to the foot of the calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered.

Mr. HRUSKA subsequently said: Mr. President, I ask unanimous consent that Calendar No. 1803, S. 1615, to prohibit the removal to district courts of the United States of actions commenced in the State courts under State workmen's compensation laws be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

## JOSEPH DANIEL MAEDA BETTERLEY

The bill (S. 3031) for the relief of Joseph Daniel Maeda Betterley (Toshikazu Maeda) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted*, etc., That, for the purpose of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child Joseph Daniel Maeda Betterley (Toshi-

kazu Maeda) shall be held and considered to be the natural-born alien child of Sgt. and Mrs. Donald James Betterley, citizens of the United States.

## MARIA MICHELA LEO DI GIOIA

The bill (S. 3676) for the relief of Maria Michela Leo Di Gioia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted*, etc., That, for the purposes of the Immigration and Nationality Act, Maria Michela Leo Di Gioia shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

## OCEAN-SIDE LIBBY UNION SCHOOL DISTRICT

The bill (H. R. 3261) for the relief of the Ocean-Side Libby Union School District, San Diego County, Calif., was considered, ordered to a third reading, read the third time, and passed.

## CARL J. WARNEKE

The bill (H. R. 3720) for the relief of Carl J. Warneke was considered, ordered to a third reading, read the third time, and passed.

## MARY LOUISE SHIELDS WILKINSON

The Senate proceeded to consider the bill (S. 2935) for the relief of Mary Louise Shields Wilkinson which had been reported from the Committee on the Judiciary with an amendment in line 3, after the word "section", to strike out "301 (a) (7) of the Immigration and Nationality Act" and insert "201 (g) of the Nationality Act of 1940, as amended," so as to make the bill read:

*Be it enacted*, etc., That, for the purposes of section 201 (g) of the Nationality Act of 1940, as amended, Mary Louise Shields Wilkinson shall be held and considered to have been physically present in the United States during all the time she was residing abroad with her parents while her father, Leighton Shields, was stationed abroad as an employee of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

## CHO HACK YOUN

The Senate proceeded to consider the bill (S. 3401) for the relief of Cho Hack YOUN, which had been reported from the Committee on the Judiciary, with an amendment in line 6, after the word "of", to strike out "Mr. and Mrs. George F. Buck, citizens of the United States" and insert "Mr. George F. Buck, a citizen of the United States", so as to make the bill read:

*Be it enacted*, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the







July 23, 1958

9. FARM LOANS; BUDGETING. Both Houses received from this Department a proposed bill to provide for the establishment of a revolving fund for certain FHA loans; to H. Agriculture and S. Agriculture and Forestry Committees. pp. 13445, 13446
10. CLAIMS. Received from this Department a report of all claims paid by the Department in the fiscal year 1958. p. 13445

SENATE

11. FARM PROGRAM. Began debate on S. 4071, the farm bill. pp. 13537-57
- As reported by the Agriculture and Forestry Committee, the bill is divided into three titles, dealing with cotton, corn and feed grains, and rice, respectively.
- With respect to cotton, title I provides for--
- A program for upland cotton for 1959 and 1960 under which producers could elect to take a 40 percent increase in their acreage allotments coupled with a 15 percent of parity reduction in price support. Price support for those not taking the lower support would be by purchase only, and Commodity Credit Corporation would be required to sell cotton at not less than 110 percent of the lower support;
- Upland and extra long staple cotton price support after 1960 at 90 percent of their respective average market prices for the preceding 3 years, but not less than 30 cents per pound/<sup>or</sup> middling inch in the case of upland cotton;
- Minimum upland cotton marketing quotas after 1960 adequate to assure a stable supply to meet world needs, but not less than the "larger" of (i) domestic consumption and exports less 1 million bales, or (ii) 10 million bales;
- A minimum national upland cotton acreage allotment of 16 million acres, with each State sharing in the national allotment in the same proportion that it shared in the national allotment in 1958 (subject to adjustments pursuant to section 344 (k) of existing law);
- A new formula for computing national marketing quotas for extra long staple cotton after 1960, designed to minimize the effect of carryover;
- Use of a 3-year adjusted yield instead of a 5-year yield in converting the national marketing quota to a national acreage allotment;
- Permanent extension of the small farm cotton allotment provisions of existing law, with amendments to (a) increase the national reserve to meet States' needs for acreage to establish minimum farm allotments to 310,000 acres; (b) increase the minimum farm allotment to 10 acres or the 1958 allotment, whichever is smaller; and (c) permit estimation of States' needs after 1959 in order to save the cost of making a trial allotment to determine such needs;
- Allotment of such further acreage as may be necessary to increase each farm acreage allotment to the prescribed minimum, with provision that no part of the additional acreage allotted to States, counties, or farms by reason of provisions relating to minimum farm allotments shall be counted in computing their respective future allotments;
- Use of the previous year's allotment (instead of tillable acreage or history) as a base in making allotments, if that will facilitate effective administration;
- Retention of surrendered cotton acreage in the county so long as any cotton farmer desires it;
- Use of Middling lynch instead of Middling seven-eighths as the standard grade after 1960;



Effective August 1, 1961, increase of minimum prices for Commodity Credit Corporation sales of cotton for unrestricted use to 115 percent of the current support price, plus reasonable carrying charges; and exemption from this requirement of a quantity equal to that by which the national marketing quota is less than domestic consumption and exports; and

Express preservation of the cotton export sales program provided for by section 203 of the Agricultural Act of 1956.

With respect to corn and feed grains, title II provides, effective with the 1959 crops, for--

Discontinuance of corn acreage allotments and the commercial corn-producing area;

Price support for corn at 90 percent of the 3-year average price (adjusted to offset the effect of abnormal quantities of low-grade corn), but not less than \$1.10 per bushel;

Price support for oats, rye, barley, and grain sorghums at fair and reasonable levels in relation to corn, but not less than 60 percent of parity; and

Repeal of the provision for a different corn support level in the non-commercial area.

With respect to rice, title III provides for--

Permanent extension of the present minimum national and State acreage allotments;

Price support for 1959 and 1960 at between 75 to 90 percent of parity without regard to the supply percentage; and

Price support beginning in 1961 at 90 percent of the 3-year average price, but not less than \$4 per hundredweight.

Sen. Proxmire submitted amendments to S. 4071 to authorize loans to farmer associations for processing and marketing enterprises (similar to the REA program); to distribute additional food commodities to the school lunch program and directly to welfare agencies; to provide for a national security reserve of food fiber, and biological oils; and to authorize the President to investigate the possibility of establishing an International Food and Fiber Reserve Bank. p. 13557

12. CIVIL DEFENSE. Passed as reported H. R. 7576, to amend the Federal Civil Defense Act of 1950 so as to permit the expansion of the civil-defense activity of the Federal Government to assume more responsibility for the national program. pp. 13535-7

13. FOREIGN AID. Passed as reported, 62 to 25, S. Res. 264, favoring the study of the establishment of an International Development Association by the National Advisory Council on International Monetary and Financial Problems. The proposed Ass'n would provide a source of long-term loans at low interest rates payable in local currencies and would utilize available local currency funds such as those built up by Public Law 480 surplus sales. Rejected, 40 to 49, an amendment by Sen. Capehart to require the study to include all other international loan agencies (pp. 13489-93, 13495-6). pp. 13463-93, 13495-13505.

14. FISH AND WILDLIFE. Agreed to the House amendment to S. 2617, to authorize the purchase by the Secretary of the Interior of wetlands and small areas for migratory waterfowl through the use of funds gained from the sale of Migratory Bird Hunting Stamps at \$3 instead of \$2 each. This bill will now be sent to the President. p. 13506

Agreed to the House amendment to S. 2447, to authorize studies by Interior of the effects of insecticides, herbicides, fungicides, and other pesticides upon fish and wildlife. This bill will now be sent to the President. p. 13506



nbers urged that civil defense be made the primary responsibility of States and cities. The development of the H-bomb and the increased dangers of radioactive fallout made it apparent that civil defense problems were national in scope and that Federal Government would have to assume more responsibility for financing it. Greater Federal responsibility has been recommended by congressional committees, governors, mayors, and associations of State and local directors. This bill embraces that concept.

One of the new authorities contained in this bill is that permitting grants to the States of radiological detection instruments. By now there is a general awareness of the dangers in radioactive fallout. Knowledge of the presence and intensity of fallout could, in the event of attack, save millions of lives that otherwise would be needlessly lost.

The Independent Offices Appropriation Acts of 1956 and 1957 contained language that authorized the donated or loan to States and cities of radiological detection instruments. The senior Senator from Maine, Mrs. SMITH, introduced a separate bill, S. 315, that would confer the same authority contemplated by this part of the bill.

This authority would be effective for 5 years and the committee has prescribed a maximum of \$35 million that may be appropriated for this purpose in any one year.

The second major new authority proposed by the bill is for Federal matching funds of not more than 50 percent toward the cost of personnel and administrative expenses of State civil-defense employees and for items of personal equipment for State and local civil-defense workers.

This part of the bill has been described as the heart of the proposal.

In more than one-half of the States there are less than 12 full-time civil-defense employees. Almost one-fourth of all trained professional civil-defense employees are concentrated in three States. While there are many civil-defense volunteers, their services may not be used effectively without a nucleus of trained leaders available for civil defense or national disaster relief activities such as floods, hurricanes, fires, and tornadoes.

The authorization for matching funds toward State civil-defense administrative and personnel expenses is intended to provide the hard core of trained leaders needed to direct volunteers and to implement survival plans.

The committee amendments limit the duration of this authority to 5 years and prescribe a maximum of \$25 million that may be appropriated for this purpose in a single year.

To be eligible for grants under this program States must have approved civil defense programs consistent with the national plan, the plan must be statewide and administered by a single State agency, employees must be under the merit system, and there must be a full-time civil defense director, or deputy director.

The criteria for allocations of Federal funds would be established nationally. In making allocations these factors must be considered: (1) the criticalness of target and support areas in relation to the total national defense readiness; (2) the relative civil defense development of the State; (3) population; and (4) such other factors as the Administrator may consider appropriate.

The authorities for contributions to the States for the cost of personal equipment for State and local civil-defense workers is limited to \$2 million a year and to a period of 5 years. This authority is sought in order that the Federal Government may bear a part of the cost of providing uniforms. It is anticipated that these uniforms would be provided for persons performing police, fire, and rescue work in order that they may be readily identifiable by the general public in an emergency.

There now is authorization for the Federal Government to appropriate \$100,000 annually to defray travel expenses and to pay per diem allowances of persons attending civil-defense schools conducted by the Federal Government. This limitation of \$100,000 would be increased to \$300,000 and this authority would terminate after 5 years. At the same time the State governments would be required to pay one-half of the cost of these travel expenses and per diem allowances.

Under the civil-defense program now contemplated, major construction is not now foreseen. The bill, however, would make the Davis-Bacon Act applicable to civil-defense construction financed with the assistance of Federal grants and employees on civil-defense construction would have to be paid time and a half for work in excess of 8 hours per day or 40 hours per week.

The bill is a consolidation of two legislative proposals by the Federal Civil Defense Administration and it is a part of the President's program.

The first year cost is estimated to be slightly more than \$19 million. Under the limitations established by the committee the maximum cost in any 1 year could be \$62,300,000.

**THE PRESIDING OFFICER.** If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 7576) was read the third time and passed.

#### AGRICULTURAL ACT OF 1958

**MR. BIBLE.** Mr. President, at this time I yield to my good and distinguished friend, the senior Senator from Louisiana [Mr. ELLENDER], the chairman of the Committee on Agriculture and Forestry, who is to make a most important motion.

**MR. ELLENDER.** Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1801, Senate bill 4071.

**THE PRESIDING OFFICER.** The bill will be stated by title, for the information of the Senate.

**THE LEGISLATIVE CLERK.** A bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

**THE PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to; and the Senate proceeded to consider the bill.

**MR. BIBLE.** Mr. President, I suggest the absence of a quorum.

**THE PRESIDING OFFICER** (Mr. TAMMAGE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

**MR. BIBLE.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

**THE PRESIDING OFFICER.** Without objection, it is so ordered.

The Senator from Louisiana is recognized.

**MR. ELLENDER.** Mr. President, I am very glad that the Senate has finally reached S. 4071, the so-called farm bill.

The Committee on Agriculture and Forestry spent many days, going back to last January, hearing testimony from spokesmen representing all segments of the farm economy in an effort to get an acceptable bill before the Senate.

I would like to say at the outset that the bill which is now before the Senate does not cover all commodities, as some of us predicted early this year. After the committee had conducted hearings for a number of weeks, it became apparent to us that we could get nowhere in trying to present to the Senate an omnibus bill which would deal with all commodities, particularly milk, dairy products, and wheat. In the course of its consideration of which commodities were to be included in the bill, the committee decided to deal only with those commodities which needed assistance the most.

The laws pertaining to wheat as they are now on the statute books will remain. This means that wheat has a 55 million minimum acreage. Price supports on wheat remain at levels ranging from 75 to 90 percent of parity, depending on supply.

Dairy products are not included in this bill. This is because, as we know, the production of milk is unlimited. No restrictions are currently imposed upon the production of milk. The support price for milk and dairy products will remain at 75 to 90 percent of parity.

Price supports on tobacco remain the same, as well as price supports on peanuts, since neither of these commodities are included in the bill.

Those commodities which offered the committee compelling reasons for immediate consideration for amending the agricultural law were cotton, rice, corn, and feedgrains.

In the case of cotton, by December 31 of this year, the present law guaranteeing to small family producers of cotton a 4-acre minimum will expire. The provisions for national and State minimum cotton acreage allotments also expire this year. We are told that unless action is taken by the Congress, the national acreage for cotton for the coming crop year will be reduced to a maximum of 14.2 million acres.

Mr. President, the Senate Agriculture Committee has taken the position that if the national cotton acreage is reduced to such an amount and if the present provision which gives the Secretary of Agriculture authority to grant small farm guaranteed acreage is not extended, a very serious social problem will face our Nation. What the committee has attempted to do is to fix a floor for cotton acreage of not less than 16 million acres. We have also provided a formula whereby the cotton farmer who cultivates 10 acres or less of cotton will not find his acreage cut further.

**MR. ROBERTSON.** Mr. President, will the Senator yield?

**THE PRESIDING OFFICER.** Does the Senator from Louisiana yield to the Senator from Virginia?

**MR. ELLENDER.** I yield.

**MR. ROBERTSON.** The junior Senator from Virginia understands there is



no allotment of cotton acreage in Virginia in excess of 10 acres. Do I correctly understand that under the provisions of the bill no cotton farmer in Virginia would receive a cut in his acreage?

Mr. ELLENDER. The Senator is correct.

Mr. President, I wish to emphasize that unless the Congress acts on this bill immediately a serious social, as well as economic problem will stalk our land. Unless we have action on this bill hundreds or even thousands of small cotton growers throughout Georgia, Louisiana, Tennessee, Virginia, and other States will probably be forced to abandon their farms since they will be unable to make a living on drastically reduced acreage.

Where will they go? To the cities to join the already lengthy lines of the unemployed at the expense of our Government? What will happen to these people?

No, Mr. President, we must make some provision to protect the small family farmer—the backbone of our country's farm economy.

In order to guarantee the cotton farmer who cultivates 10 acres or less the same acreage he received in 1958, we have provided an additional 310,000 acres. If we add the 310,000 acres to the 16 million acre minimum national allotment provided in the bill, it will be seen that the measure actually provides a national minimum cotton acreage of roughly 16.3 million acres.

I wish to add, Mr. President, that the price supports for cotton would continue to be determined under existing law, insofar as those farmers who remain within their allotments are concerned. However, in order to encourage the production of more cotton, which is now necessary—and the record is replete with testimony to that effect—we have made it optional with all cotton farmers for 1959 and 1960 that if they desire to increase their acreage by as much as 40 percent they may do so, but in so doing the support price they receive will be reduced 15 parity percentage points. For example, if the Secretary of Agriculture should fix the 1959 support level for cotton at 85 percent of parity, cotton farmers who do not desire to take advantage of the authority for a 40 percent increase in acreage would receive price support at that level, that is, 85 percent of parity. Those farmers who desired to plant more acres would be permitted to do so up to a maximum of 40 percent above their allotment. Their price support would be reduced 15 points, and would be set at 70 percent of parity.

Mr. President, as I said, that is an optional provision for the cotton farmer, and would be applicable during the 1959 and 1960 crop years.

One thing I wish to stress about the bill is that it places a floor on the acreage for cotton. The bill puts cotton in the same position in which wheat now finds itself.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a short explanation of title I

of the bill, which deals exclusively with cotton.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

With respect to cotton, title I provides for—

(1) A program for upland cotton for 1959 and 1960 under which producers could elect to take a 40 percent increase in their acreage allotments coupled with a 15 percent of parity reduction in price support. Price support for those not taking the lower support would be by purchase only, and Commodity Credit Corporation would be required to sell cotton at not less than 110 percent of the lower support (sec. 101);

(2) Upland and extra long staple cotton price support after 1960 at 90 percent of their respective average market prices for the preceding 3 years, but not less than 30 cents per pound for middling inch in the case of upland cotton (sec. 102);

(3) Minimum upland cotton marketing quotas after 1960 adequate to assure a stable supply to meet world needs, but not less than the "larger" of (i) domestic consumption and exports less 1 million bales, or (ii) 10 million bales (sec. 103 (1));

(4) A minimum national upland cotton acreage allotment of 16 million acres, with each State sharing in the national allotment in the same proportion that it shared in the national allotment in 1958 (subject to adjustments pursuant to section 344 (k) of existing law) (sec. 103 (2));

(5) A new formula for computing national marketing quotas for extra long staple cotton after 1960, designed to minimize the effect of carryover. (At present the formula provides for a quota adequate to make available a normal supply, taking the estimated carryover and imports into account. Normal supply is measured by domestic consumption and exports, plus an allowance for carryover. The bill provides for a quota equal to domestic consumption and efforts, less imports, plus the additional quantity necessary to assure adequate stocks in trade channels without resort to Commodity Credit Corporation stocks. Thus the bill provides that carryover shall be taken into account only to a limited extent and only in determining the quantity (additional to domestic consumption and exports) needed to assure adequate working stocks) (sec. 103 (3));

(6) Use of a 3-year adjusted yield instead of a 5-year yield in converting the national marketing quota to a national acreage allotment (sec. 103 (4));

(7) Permanent extension of the small farm cotton allotment provisions of existing law, with amendments to (A) increase the national reserve to meet States needs for acreage to establish minimum farm allotments to 310,000 acres; (B) increase the minimum farm allotment to 10 acres or the 1958 allotment, whichever is smaller; and (C) permit estimation of States needs after 1959 in order to save the cost of making a trial allotment to determine such needs (sec. 104);

(8) Allotment of such further acreage as may be necessary to increase each farm acreage allotment to the prescribed minimum, with provision that no part of the additional acreage allotted to States, counties, or farms by reason of provisions relating to minimum farm allotments shall be counted in computing their respective future allotments (sec. 105);

(9) Use of the previous year's allotment (instead of tillable acreage or history) as a base in making allotments, if that will facilitate effective administration (sec. 106);

(10) Retention of surrendered cotton acreage in the county so long as any cotton farmer desires it (sec. 107);

(11) Use of Middling 1 inch instead of

Middling seven-eighths as the standard grade after 1960 (sec. 108);

(12) Effective August 1, 1961, increase of minimum prices for Commodity Credit Corporation sales of cotton for unrestricted use to 115 percent of the current support price, plus reasonable carrying charges; and exemption from this requirement of a quantity equal to that by which the national marketing quota is less than domestic consumption and exports (sec. 109);

(13) Express preservation of the cotton export sales program provided for by section 203 of the Agricultural Act of 1956 (sec. 110).

Mr. ELLENDER. Mr. President, another commodity with which the bill deals is rice. Rice is in the same category as cotton insofar as acreage is concerned. Today, the rice acreage is about 1,650,000 acres. Unless something is done by the Congress at the present session it is estimated that rice acreage will be reduced to 900,000 acres—in other words, rice acreage would be cut almost in half. Anybody who knows anything about farming knows very well that in those circumstances many rice farmers, particularly the smaller rice farmers, would be compelled to go out of business.

Rice farmers have equipment which is very expensive. Unless they can obtain sufficient acreage on which to use such expensive machinery and equipment, they are bound to go out of business.

In other words, in the case of rice, the minimum national and State acreage allotment provisions of the Agricultural Act of 1956 expire with the 1958 crop. The minimum national acreage allotment provided by that act is 1,652,596 acres. Without such minimum, the national allotment for 1959 would be less than 1 million acres. The bill would extend the national and State minimum allotments on a permanent basis.

For 1959 and 1960 the price support for rice would be between 75 and 90 percent of parity, but unlike the present law which fixes a minimum level within that range on the basis of supply conditions, the bill would give the Secretary of Agriculture complete discretion within this range. Beginning in 1961, the support for rice, like cotton, would be fixed without regard to parity at 90 percent of the average market price for the preceding 3 calendar years, but not less than \$4 per hundredweight.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a brief explanation of title III, dealing with rice.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### TITLE III—RICE

Section 301. Extension of provision for minimum national and State rice acreage allotments: Section 301 extends on a permanent basis the national and State minimum rice acreage allotments which were provided by the Agricultural Act of 1956, and which expired with the 1958 crop. The national acreage allotment would be not less than 1,652,596 acres and would be apportioned among the States in the proportion that they shared in the 1956 acreage allotment, as follows:



## State rice acreage allotments for 1956

|                     |         |
|---------------------|---------|
| Arizona.....        | 229     |
| Arkansas.....       | 399,084 |
| California.....     | 299,820 |
| Florida.....        | 957     |
| Illinois.....       | 20      |
| Louisiana.....      | 475,094 |
| Mississippi.....    | 46,683  |
| Missouri.....       | 4,580   |
| North Carolina..... | 29      |
| Oklahoma.....       | 149     |
| South Carolina..... | 2,847   |
| Tennessee.....      | 517     |
| Texas.....          | 422,390 |

|                                  |           |
|----------------------------------|-----------|
| Total apportioned to States..    | 1,652,399 |
| Unapportioned National reserve.. | 197       |
| United States total.....         | 1,652,596 |

Source: USDA 3534-56-5.

Rice—Support prices, 1953-58 crops, compared with support prices as they would have been determined under the provisions of sec. 302 applicable to 1961 and subsequent crops

| Marketing year<br>beginning Aug. 1 | Effective CCC support price         |                      |                                                 | Average price per hundredweight<br>received by farmers |                                                                                          |                                                            |                      |
|------------------------------------|-------------------------------------|----------------------|-------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------|----------------------|
|                                    | Amount<br>per<br>hundred-<br>weight | Percent<br>of parity | Parity<br>price on<br>which<br>support<br>based | Preceding<br>calendar<br>year                          | Average<br>for 3 calen-<br>dar years<br>preceding<br>beginning<br>of market-<br>ing year | 90 percent of average for<br>3 preceding calendar<br>years |                      |
|                                    |                                     |                      |                                                 |                                                        |                                                                                          | Amount                                                     | Percent of<br>parity |
| 1953.....                          | \$4.84                              | 90.0                 | \$5.38                                          | \$5.87                                                 | \$5.26                                                                                   | \$4.73                                                     | 87.9                 |
| 1954.....                          | 4.92                                | 90.0                 | 5.47                                            | 5.19                                                   | 5.29                                                                                     | 4.76                                                       | 87.0                 |
| 1955.....                          | 4.66                                | 85.0                 | 5.48                                            | 4.57                                                   | 5.21                                                                                     | 4.69                                                       | 85.6                 |
| 1956.....                          | 4.57                                | 82.5                 | 5.54                                            | 4.81                                                   | 4.86                                                                                     | 4.37                                                       | 78.9                 |
| 1957.....                          | 4.72                                | 82.0                 | 5.75                                            | 4.86                                                   | 4.75                                                                                     | 4.27                                                       | 74.3                 |
| 1958.....                          | 4.33                                | 75.0                 | 5.77                                            | 5.06                                                   | 4.91                                                                                     | 4.42                                                       | 76.6                 |

1 Minimum support rate which may be increased if a combination of the rice parity price as of Aug. 1, 1958, and the supply percentage as of that date requires a higher level of support.

Mr. ELLENDER. We come now to the last commodities with which this bill deals, namely, corn and other feed grains.

One of the commodities which has given most concern to the committee has been corn. In the production of corn, unlike the production of cotton and rice, there are no penalties for farmers who fail to remain within their allotments. When allotments are made, comparatively few farmers comply with the allotments, the reason being that in the past the Secretary of Agriculture has made price support available not only for corn farmers who comply with allotments but also for noncompliers. Efforts have been made in the past 3 or 4 years to remove acreage allotments. Today the Senate has an opportunity to do that very thing.

The bill as it now stands would do away with the so-called commercial corn area. Corn produced in all parts of the United States would be treated similarly. The formula for price support would be changed, beginning with the crop year 1959.

I ask unanimous consent that there be printed at this point in my remarks a brief explanation of the provisions of the bill dealing with corn and feed grains.

There being no objection, the explanation referred to was ordered to be printed, as follows:

## TITLE II—CORN AND FEED GRAINS

Section 201. Discontinuance of corn acreage allotments: Section 201 provides that corn acreage allotments and a commercial corn area will not be established for the 1959

Section 302. Rice price support: Section 302 (a) repeals the so-called escalator clause under which the minimum support level for rice would be determined on the basis of the supply percentage, and provides that the 1959 and 1960 crops of rice will be supported at such level between 75 and 90 percent of parity as the Secretary may determine after considering the factors set out in section 401 (b) of the Agricultural Act of 1949.

Section 302 (b) provides that the 1961 and subsequent crops of rice shall be supported at 90 percent of the average price for the 3 calendar years preceding the marketing year applicable to the crop, but not less than \$4 per hundredweight. The following table contains a comparison of support prices and market prices for past years and shows what the support price might have been for any one of the years 1953 to 1958 if section 302 (b) had been made applicable in that year.

be fairer to all corn producers to discontinue them.

Section 202. Price support for corn and feed grains: Section 202 provides price support for corn at 90 percent of the average price received by farmers for the 3 calendar years ending last before the marketing year for the crop, but not less than \$1.10 per bushel. In determining the average price, adjustment would be made to offset the effect of any abnormal quantities of low-grade corn.

Section 202 also makes price support mandatory for oats, rye, barley, and grain sorghums at a fair and reasonable level in relation to corn, but not less than 60 percent of parity. The 1957 crops of these commodities were supported at 70 percent of parity.

Section 203. Repeal of provision for corn price support in the noncommercial area: Section 203 repeals the provision for a lower rate of price support on corn outside the commercial area. This supplements section 201, which provides for discontinuance of the commercial area.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ROBERTSON. In the State of Virginia there are only 15 counties listed as commercial-corn producers. Under the present law, farmers in those counties can receive the support, and the others cannot. What would be the effect of the proposed change in all the counties of Virginia?

Mr. ELLENDER. All the counties of Virginia would receive the same support as the 15 counties now considered to be in the commercial area.

Mr. ROBERTSON. What would that be?

Mr. ELLENDER. It would be 90 percent of the average price for the past 3 years, but not under \$1.10 a bushel. That is the floor.

The support prices of other feed grains would be fixed in relation to their feed value as compared with corn, for one thing. We have a situation in which sorghum feed today has a feeding value almost as high as that of corn. Relatively speaking in that case the support price of sorghum would be almost as high as that for corn.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MUNDT. I think this is as good a place as any to "button down," for the legislative history which will govern the administration of the bill if it becomes a law, the fact that the committee spent a great amount of time and gave a great amount of thought to trying to draft legislative language which would assure that 90 percent of the average price received by the farmer for corn would be related to high-grade corn. We did not want the farmer to suffer in any way from the fact that, upon occasion, there is a crop of wet corn or soft corn, or corn the quality of which, for some other reason, may be deficient. As a consequence, it sells below the market price.

We gave serious consideration at one time to the adoption of an amendment which I drafted, which would have changed the average price of corn to meet the average price received by farmers for corn related to No. 2 corn in the Chicago market.



Representatives of the Department felt that that would make the administration too complicated, but they did agree with us—and this is the point which I wish to establish for the record—that that is the type of thing they would have in mind, namely, that the price of corn for the past 3 years, for which the new floor would guarantee the farmer at least 90 percent, or \$1.10 a bushel, whichever was higher, would be related to a grade, type, and character of corn which normally would be produced in a good growing season, and that there would be no penalty, no deduction, and no loss of any kind to the farmer because of a low standard quality of corn which might have prevailed in any of the 3 marketing years. Will the chairman add some reassuring language of his own to show that this is the legislative history, and that is what the committee had in mind?

Mr. ELLENDER. That is exactly what the committee had in mind. The Senator well remembers that this year there has been a great deal of wet corn. The committee felt that corn of that character should not be taken into consideration in fixing the average price, but that only good merchantable corn should be taken into consideration.

Mr. MUNDT. Precisely. What we are doing is guaranteeing the farmer 90 percent of the average market price of corn under good normal growing conditions.

Mr. ELLENDER. Good merchantable corn is the standard.

Mr. MUNDT. That is correct. It is not meant to relate the 90-percent price support guaranty to the actual sales conditions involving corn over the past 3 years, but rather that it should be related to the price which would have been received had the farmer been able to take to market a good standard grade of corn.

Mr. ELLENDER. That is correct.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LANGER. I should like to ask the distinguished Senator from South Dakota whether or not all of South Dakota is in the commercial area?

Mr. MUNDT. No. A number of counties are in the commercial area and a number are not, although more counties in the great agricultural State of South Dakota are in the commercial corn area than is the case in Virginia, where more cotton and tobacco is raised than we raise in South Dakota.

Mr. ELLENDER. Any county which is not now in the commercial area in the Senator's State will receive the same price for corn produced there as is received for corn produced in the commercial area. No distinction will be made.

Mr. LANGER. There will be no 25 cent differential.

Mr. ELLENDER. That is correct.

Mr. MUNDT. All corn will be treated alike, and all counties will be treated alike.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. Let me say to the distinguished chairman of the committee that there is one point which worries me with respect to the corn situation. Is it not true that if we operate on the basis of 90 percent of the average price received in the preceeding 3 years, in effect we shall go off the parity principle with respect to corn?

Mr. ELLENDER. The Senator is correct, except that, in effect, we retain the parity principle by providing that the price of corn shall not be less than \$1.10 per bushel. As to all other grains, 60 percent of parity would be a floor.

Mr. SYMINGTON. Does that include corn?

Mr. ELLENDER. As I have said, it includes corn indirectly. The price of corn cannot be under \$1.10. That is about 62 or 63 percent of parity as of today. The \$1.10 floor beneath the support price for corn is not expressed as a percentage of parity, but it can always be related to parity. As to other grains, the distinguished Senator from North Dakota raised the point in committee that we ought to establish some kind of floor. What we did was to provide that the minimum price support for other feed grains could not be less than 60 percent of parity.

Mr. SYMINGTON. Is it not true that actually there is no price support related to parity with respect to corn, but only the \$1.10 floor? This means less and less, as the value of the dollar declines. In the last 6 to 8 months the value of the dollar has declined 2 percent. If the drop continues, we may find that the \$1.10 price support for corn will actually be a price, from the standpoint of parity, considerably less than the estimated 60 percent.

Mr. ELLENDER. The parity formula itself is also affected by such factors, I might say to my good friend from Missouri. It is a complicated formula. In my humble judgment, although the minimum price floor on corn is \$1.10, dollar-wise, it would seem to me that there is little likelihood that it would be less than 60 percent of parity. I hope that it never represents less than 60 percent of parity. I might also point out that the dollar-and-cents minimum would apply to all corn grown in the United States, without regard to any artificial commercial corn area, and without acreage controls. If I were a corn farmer, I would not object to a lower support price for corn in return for authority to plant unlimited acreage. I feel sure the cotton or rice farmers in my State would be happy to receive price support at 60 percent of parity if they could plant all the cotton or rice they desired and receive price support on their total production at that level.

Mr. SYMINGTON. Is it not true that there is already considerable discussion about the desirability of eliminating the \$1.10 provision, and that at a press conference the other day the Secretary of Agriculture recommended that the minimum dollar figures be eliminated?

Mr. ELLENDER. Let me be frank with my good friend and say that I do not know.

Mr. SYMINGTON. I believe he said he had serious misgivings concerning the floors. He recommended that the cotton and rice floors be lowered.

Mr. ELLENDER. Probably lowered, but not eliminated.

Mr. SYMINGTON. Is it not a fair statement to say that the premise of \$1.10 minimum price support on corn has no connection to parity? Is this not an attempt to eliminate the concept of parity with respect to corn immediately and later on with respect to other agricultural products?

Mr. ELLENDER. As I indicated to my friend, the parity formula remains in effect as a floor for all feed grains except corn.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG. The 60 percent minimum support for feed grains is something new. This is the first time that we are providing minimum mandatory supports on feed grains. Up to now it has been optional. It is true that 60 percent is a very low support. However, it is better than nothing.

Mr. ELLENDER. Under present law, the minimum support level for feed grains is zero.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. I should like to ask the distinguished Senator from North Dakota if he believes that the 60-percent figure on other feed grains is a fair price to the farmers of America.

Mr. YOUNG. Personally, I should like to see it considerably higher. It would be wiser to set it higher. However, I do believe it cannot be done at this time, and that this is the best we can do.

Mr. SYMINGTON. In my State the price on wheat is about 78 percent of parity. Would the distinguished Senator be willing to reduce the support on wheat to 60 percent of parity along with feed grains?

Mr. YOUNG. An entirely different situation obtains with respect to wheat. Any farmer can plant 15 acres of wheat and market it free of penalty. In other words, he gets a free ride to that extent. The commercial wheat farmers must abide by quotas, which means a cut of about one-third in their allotment. The feed grain producers have no such provision applied to them.

Mr. SYMINGTON. Is the Senator willing to have applied to wheat the same general theory of price supports at 90 percent of the average price during the 3 previous years?

Mr. YOUNG. No; I am not. However, I believe feed grains are in a little different category, in that most of them are fed. I do not like the concept of providing price supports based on 90 percent of the average price of the previous 3 years and departing from the concept of parity.

Mr. SYMINGTON. Let us forget feed grains for a moment. Let us talk about cotton. After 2 years, under the provisions of the bill, the cotton farmers of my State will also be on the basis of 90 percent of the average price during the



previous 3 years. Is that not applicable to wheat?

Mr. YOUNG. I am far from an authority on cotton. If the Senators from the cotton-producing States agree to that program, I am perfectly willing to go along with it. I believe there is a minimum price provision for cotton in the bill.

Mr. SYMINGTON. There is—30 cents per pound. My only point in bringing up the discussion is that it seems to me that we have before us a bill which contains provisions dealing with cotton, some on corn and feed grains, and a program for rice. There is nothing in the bill about dairy products, and nothing about any other products. It worries me a great deal, because the farm representatives in my State are worried about the other products that are not being considered in the bill.

In addition to that, they are worried about the obvious intention on the part of the Department of Agriculture to get away from the parity principle. I believe it is fair to say that that is the desire of the Department of Agriculture. If we pass the bill in its present form, we would go a long way toward satisfying that aim.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ROBERTSON. With respect to the effect of the bill on corn producers of Virginia, the junior Senator from Virginia has indicated that there are 15 counties in the commercial corn area. Assuming the corn farmers in those counties of Virginia received the national average of \$1.36, the minimum the farmers could get under the bill would be \$1.10, but they could also get more. Is that correct?

Mr. ELLENDER. They could get \$1.36, if \$1.36 is 90 percent of the 3-year average price. They will get whatever price is fixed, but in no case less than \$1.10.

Mr. ROBERTSON. The present national average is \$1.36.

Mr. ELLENDER. As I recall, the evidence produced at the hearings indicated that in 1959, 90 percent of the average price for the 3 past years would not be \$1.36. At any rate, corn farmers would get whatever that price might be. It could be \$1.32 or \$1.36, \$1.20 or \$1.14, but in no case could it be less than \$1.10.

Mr. ROBERTSON. All the corn growers would get support, and those in the 15 counties of the commercial area would get only slightly less support, and perhaps not any less support.

Is it not true that if something is not done to solve the corn problem, the acreage will have to be cut back to about 38 million acres, or a cut of about 16 million acres?

Mr. ELLENDER. That is under the present law. The Secretary of Agriculture fixes an acreage allotment for corn. I think it has ranged from 36 million acres to as much as 49 million acres, if I recall the figures correctly. Because the acreage quota was so low, only 38.6 percent of the farmers of the Nation complied with it. But for those who did not comply, the Secretary of Agriculture

nevertheless saw fit to fix a price support just a little lower than for those who complied. That created a very satisfactory situation for corn farmers. No penalties were imposed upon those who exceeded their quota, and, in addition, they received price support. As a result, few farmers were desirous of complying with the allotments when price support for noncompliers was only a few cents less than for compliers.

Mr. ROBERTSON. I received a letter from the Under Secretary of Agriculture, to whom I addressed an inquiry about the corn situation. I do not have the letter with me, but in it the Under Secretary indicated that without some change, a very drastic cut would have to be made in the authorized acreage for corn.

Mr. ELLENDER. I would have to read the letter to reply fully to the Senator. However, as the Senator knows, 2 years ago we tried to increase corn acreage from 36 or 39 million acres to as much as 51 million acres. That suggestion was enacted by Congress but was rejected by the farmers. Under the bill before the Senate, corn growers, no matter where they are located, would receive the same treatment, so far as price supports are concerned. In addition there would be no acreage limitation on corn as a condition for receiving price support.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. Will the Senator comment on why he thinks there has been such a lack of conformity in the commercial corn areas?

Mr. ELLENDER. It is because the acreage allotments were very low. As I remember, they ranged from 36 million to about 49 million acres. Farmers in the commercial area alone planted as many as 56 million acres.

Mr. SYMINGTON. As I recall, the Secretary of Agriculture, after first saying that nothing would be given to noncompliers, in 1956 gave \$1.25 a bushel price support and in 1957 gave \$1.10 a bushel. Is not that correct?

Mr. ELLENDER. I do not recall the exact amounts, but I know that during the first year of the Soil Bank, compliers were to get \$1.50 a bushel, and noncompliers \$1.25. Of course, as I have pointed out to the Senate several times, that broke the Soil Bank. Very few people complied with allotted acres. They preferred to plant all they could, because the difference between the support price paid to those who complied and that paid to noncompliers was only 25 cents a bushel.

Mr. SYMINGTON. What the Senator is really saying is that any program which ostensibly controls, but actually does not control, can only fail. I believe that when the Secretary of Agriculture said that the noncompliers would get nothing, and the compliers would get \$1.50, and then for reasons best known to himself gave the noncompliers \$1.25, he was in effect nullifying any possibility of the success of his program.

The Senator from Virginia [Mr. ROBERTSON] spoke of raising of corn in Vir-

ginia. My brother raises cattle in Virginia. He has been a farmer ever since he left college. That is all he has ever done.

If the parity principle is denied to corn and feed grains as completely as the Department of Agriculture wants to deny it, and the price continues to decline, in a relatively short time the prices of livestock will be at disastrous levels from the standpoint of the future economic welfare of the farmer.

Mr. ELLENDER. I do not like to disagree with my good friend, the Senator from Missouri, but what maintains the price for cattle is a stabilized price for corn.

Mr. SYMINGTON. I agree, if it is stabilized at a reasonable level.

Mr. ELLENDER. Exactly.

Mr. SYMINGTON. But if the prices on grain are lowered as provided in this bill—

Mr. ELLENDER. But the facts are these, as the Senator knows: Practically no attempt has been made by corn farmers to comply with allotments. The Senator from Missouri knows that.

Mr. SYMINGTON. Does the Senator think that we can avoid low livestock prices if we allow corn and feed grain prices to decline? If we are to maintain prices we need some controls. The only way to establish effective Government control is to control.

Mr. ELLENDER. We tried to impose penalties on corn in the same manner as cotton, rice, and other products, but we were never able to accomplish that feat. That was before the Senator from Missouri came to the Senate. We tried to impose the same penalties on corn noncompliers as we did on noncomplying producers of other basic crops. But we were told that corn was a commodity which was mainly marketed through livestock, meats, dairy products, and so forth, and that since corn is used mostly as feed on the farm, it is not in the same category as cotton and rice. Therefore, it escaped a penalty.

But the point I emphasize is that the number of acres of corn planted in the past has not been very much disturbed. There has been very little cutback in the acreage, particularly in the commercial areas. Farmers were permitted to, and did, plant practically all they could plant—all that they needed.

The bill imposes no acreage quotas on the production of corn and feed grains. But there is the price-support stabilizer, of which I spoke, so that it will be known that corn and feed grain will not go below a certain figure.

Mr. SYMINGTON. I have watched with great admiration the functioning of the distinguished senior Senator from Louisiana on the Committee on Agriculture and on other committees. I know he is a reasoned thinker and an able, experienced Senator. What worries me is something which, for example, is comparable to what might happen in business in the matter of patents. In the case of a patent, one either conforms or does not conform. If he does not conform, he brings about chaos so far as he is concerned.

The facts, as I understand them, are that in 1956 the Secretary of Agricul-



ture, who may well have been desirous of proving his point by creating a form of chaos, put up \$179 million of the taxpayers' money for the Soil Bank, and justified it on the ground that doing so would reduce production. The program ended with 222 million more bushels of corn that year.

Furthermore, he or his representative made an incredible mistake, which is very difficult to understand, based upon any desire he had to have the program succeed, by not stipulating that there should be cross-compliance. As a result, many farmers in my State first got a good, healthy check for not producing corn and putting land in the Soil Bank. At the same time, in the same year, they produced on their farms more feed grain, having great nutritional value, than ever before in the history of farming.

On the basis of what I have just presented, it appears to me to be obvious that the Department of Agriculture has operated at times in an effort to make these programs costly and wasteful to the American taxpayer.

Now the Department says the way to solve the problem is not to control more adequately the programs presented, but to eliminate any concept of parity.

I very well remember the first farm talk I ever heard in the Senate, when I had the privilege to come here 5 years ago. It was made by the distinguished senior Senator from Louisiana, in which he pointed out that the total loss on the six basic commodities for the 20 years from 1933 to 1953, inclusive, was \$20 million, and that in those 20 years the total loss on all crops because of the price supports, including the approximately \$490 million loss on potatoes, was a little more than \$1 billion, and that therefore the parity principle, under a Secretary of Agriculture who believed in a "fair break" for the farmer, as against the returns to the other segments of the economy, worked most successfully for those 20 years; but under this administration, in recent years it has been, and is now, costing the American people billions of dollars annually.

Therefore, I am one who believes that if we operate and manage on the basis of the principles which worked so well between 1933 and 1953, we shall be much better off than if we eliminate the fundamental concept of parity, namely, a fair economic return to the farmer, in relation to the economic returns to the other segments of the economy.

Mr. President, I thank the Senator from Louisiana for allowing me this time.

Basically, how can we have a guaranteed minimum wage law for labor, a guaranteed higher price of money for the bankers, and tariffs for industry, but expect the farmer to operate without any real support? That is what worries me about this proposed legislation.

Mr. ROBERTSON. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. ROBERTSON. I was very happy to hear my distinguished friend, the Senator from Missouri [Mr. SYMINGTON], say he has a brother who is in the cattle business in Virginia. I do not have to tell him or his brother or all others in Virginia who are engaged in the cattle business, which never has had a support price, that they are now on top, among all the farming groups in my State.

On the point of whether preservation of the parity price on corn will break the backs of our cattlemen, I would not presume to predict what the price of cattle will be, because many other elements, in addition to the price of corn, enter into that equation. For instance, there could be overproduction.

I wish to call attention to the fact that corn is produced in considerable quantities in all the counties of Virginia. In the 15 counties which produce enough to be classified as commercial growers, with the result that they are entitled to the \$1.36 price on a certain percentage of parity, so few farmers have ever put any corn in storage and have gotten a Government loan on it that that amount of corn does not constitute a drop in the bucket. I was surprised to find that it really amounts to virtually nothing. Either those who grow the corn did not comply, or else the corn was sold on the commercial market, because Virginia never produces as much corn as it consumes; and the same is true of wheat.

The one group of farmers who are in the best position, from the standpoint of parity, are the tobacco farmers. They have an assured 90 percent of parity. But today they are the unhappiest group of Virginia farmers, because the average Virginia flue cured tobacco allotment has gotten down to 2.9 acres. The average allotment for burley tobacco in the Southwest is now down to sixty-five one-hundredths of an acre. But no farmer can make a living from the production from 2.9 acres of land, regardless of what the parity price might be—not even if the parity price were 100 percent.

I believe there is an amendment to provide 110 percent of parity for the woolgrowers. But, Mr. President, even if the tobacco farmer receives 110 percent of parity, he will not be able to make enough money farming 2.9 acres to be able to support his family and buy the necessary machinery and the other things which are required for economical production.

As to the effect of the proposed cut in acreage, I should like to call attention to page 9 of the committee report. I assume that the report is accurate, and I now read from it:

In 1957 only 38.6 percent of the farms which received corn acreage allotments complied with their allotments.

Mr. ELLENDER. That is the figure I gave.

Mr. ROBERTSON. In other words, only a little more than one-third of them.

Mr. SYMINGTON. Mr. President, will the Senator from Virginia yield to me?

Mr. ROBERTSON. I ask the Senator from Missouri to wait a moment, please.

The Senator stated that it was very poorly enforced, and that after they did not comply, they still were given more than was coming to them. But that is another matter.

I read further from the report:

In 1957, with an allotment of 37,288,889 acres in a commercial area consisting of 894 counties, 52,733,620 acres were planted in the commercial area and 5,233,478 acres were put in the corn acreage reserve. In 1958 the commercial area has been expanded to include an additional 38 counties, making 932 counties in all. The acreage allotment for this expanded commercial area for 1958 is 38,818,381 acres.

That is about what I said.

I read further from the report:

The acreage planted in these 932 counties in 1957 was 54,237,000 acres, which, with the acreage placed in the corn acreage reserve in 1957 makes a total of 59,470,478 acres planted or placed in the acreage reserve. With this potential corn acreage of 59,470,478 acres, producers generally cannot afford to comply with an acreage allotment of 38,818,381 acres in order to obtain price support on the reduced production.

Mr. ELLENDER. Mr. President, the Senator from Virginia has enumerated the reasons why we have removed the acreage allotments in the pending bill, and would let corn be planted without any allotment whatever. The same goes for other feed grains.

I wish to repeat what I said to my good friend, the Senator from Missouri—namely, that, in my humble judgment, what has made the price of hogs and the price of cattle stable, or, actually, rise a little, is the fact that there were stable prices for corn and other feed grains.

The pending bill would keep those prices stable.

It may be true that in the course of time there may be lower price support for corn, as expressed in percentage of parity, but it cannot go under \$1.10 a bushel.

Mr. SYMINGTON. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. SYMINGTON. I know the Senator would not want to adopt, as an axiom, a statement that the lower the price support, the more stability.

But I would point out to the distinguished Senator from Virginia that in the case of corn there is no minimum acreage, as there is for cotton, where the limitation is approximately 17½ million acres; or as there is in the case of wheat, for which the limitation is approximately 55 million acres.

Therefore, the national acreage allotment for corn has been reduced to a point where many farmers cannot afford to comply. In addition, if one did not comply, he would get a fairly good price, anyway. Naturally, that did not help the control.

So far as livestock is concerned, let me say to my dear friend, the Senator from Virginia, that the livestock situation in my State is the same as that in his State.

But there are other aspects of that problem which should be considered. First, we have had an extended drought;



and a great many foundation herds were liquidated.

Second, the low prices and abundant supplies of feed grains are encouraging farmers to feed large numbers of cattle. Many persons are now holding cattle off the market to rebuild their foundation herds.

I believe it is interesting to note that whereas 150 years ago 90 percent of the people of the country were engaged in the production of food, the number has now been reduced until today it is only 12 percent of the population. Therefore, there has been a steady decrease in the number of persons in that occupation.

It is a fact that farm population declined more in the year 1957 than in the 30-year period between 1910 and 1940.

A recent USDA report showed that there are 16 percent more livestock on feed than there were a year ago. As soon as these cattle begin coming to market there will be a decline in livestock prices. That drop will be accelerated and accentuated in proportion to the lowering of price support on feed grains.

Mr. ROBERTSON. Mr. President, will the Senator from Louisiana permit an observation?

Mr. ELLENDER. I yield for that purpose.

Mr. ROBERTSON. When the junior Senator from Virginia is in doubt, he falls back on Thomas Jefferson's philosophy. Thomas Jefferson said, in effect, that if we turned to Washington for help we would soon look to Washington for bread. The experience of the farmers of Virginia has been that they do better when the heavy hand of the Government is not laid on them. There is no control on the production of cattle, chickens, and turkeys. Farmers who deal in them have to be efficient. The price of cattle had gotten down to 17 or 18 cents. But good cattle sold last fall for 30 cents. Before that, the price of cattle had gone up to about 30 cents. So cattle farmers have done well on the whole, except for the few city fellows who thought there was money in cattle production and decided to go in the business and bought cattle. They took a loss because they did not know the game. They bought at the peak, and then they were forced out of business. But the farmers of Virginia who have been in the cattle business through good times and bad are glad the Government has never regulated the production of cattle, although regulation has been proposed.

The Senator from Missouri knows something about farming, as well as politics and other subjects. We do not want the Government guessing what we should do 2 or 3 years ahead. The best supported and the best administered program, which has not cost the Government anything, is the tobacco program; but tobacco farmers are becoming exceedingly restless about tobacco allotments which are constantly reduced. There is not a tobacco farmer in Virginia who now has 10 acres planted to that crop. The average is down to 2.6 acres. He is being controlled to death.

The Farm Bureau Federation in Virginia takes the position that, while they

want reasonable control in view of the prices, the farmers should be allowed to operate under conditions as they used to be, and not only be given a little more personal liberty, but be permitted to do some of the guessing, rather than let the Government do it. President Woodrow Wilson said he did not want any group in Washington behind closed doors playing Providence to him. I remind the Senator that he was a great statesman. He also came from Virginia, as the Senator from Missouri knows.

Mr. SYMINGTON. Mr. President, will the Senator from Louisiana yield to me so I may ask a question of the Senator from Virginia?

Mr. ELLENDER. I yield for that purpose.

Mr. SYMINGTON. Regardless of the size of the tobacco farms in Virginia, when the Virginia tobacco farmers have been given an opportunity to vote on the question whether they would take acreage allotments and marketing quotas in order to get a higher price, they have always voted for acreage allotments and quotas in order to get the higher price. Is that correct?

Mr. ROBERTSON. That is true, but they were hoping and praying that the Government would not keep cutting down their quotas. They would vote for such controls, and then the allotments would be cut down again. Peanuts, tobacco; and cotton farmers cannot take any more cuts and keep going.

Mr. SYMINGTON. The Senator would agree, would he not, that the Virginia tobacco farmers are, in his opinion, intelligent? If we are to carry out the thought expressed by the Senator from Virginia, as I understand his line of reasoning, the farmers have consistently voted against their own interests.

Mr. ROBERTSON. The junior Senator from Virginia thinks all the farmers in Virginia are intelligent, but certain groups have done better than others financially.

Mr. SYMINGTON. Would the Senator from Virginia want to apply the same standard of Thomas Jefferson to great industries I have noticed in such fine towns as Danville, Va., where synthetics are manufactured. Would the Senator want to apply the same test to the question whether tariffs should be imposed to protect an industry in Virginia that he would apply to the farmers in Virginia? Is it not proper for manufacturers in Virginia who face the problem of 13 cents an hour foreign labor in foreign countries to come to their Government and ask for a tariff?

Mr. ROBERTSON. The junior Senator from Virginia served for 10 years on the House Ways and Means Committee. During that time he helped write tariff legislation. He also worked on the Cordell Hull trade program. The junior Senator from Virginia has made a study of the tariff history from the Democratic standpoint.

The junior Senator from Virginia is not going to do what his friend the junior Senator from Mississippi [Mr. STENNIS] referred to when he spoke about the man from Mississippi who said he was going to write an impartial his-

tory of the War Between the States from the southern viewpoint. The junior Senator from Virginia was trying to get at the actual facts of tariff history.

At one time the only difference between the Democratic Party and the Republican Party of which I was aware was that the Republican Party was in favor of high tariffs and the Democratic Party was in favor of low tariffs. It was stated that sewing machines and other products could be made in this country and sold abroad. The better thinking among members of the Democratic Party on the subject of tariffs was that efficient industry should be protected from unfair competition. For example, if Japan where the cost of labor was low and the workingmen were skillful, produced commodities which were in competition with commodities produced by us we had to have some tariff protection, on the basis that the industry was essential to the interests of this country and we did not want to crucify it. However, it had to be an efficient industry; there should not be an umbrella of absolute protection for all industry.

For that reason, I do not think the reciprocal trade program has been too well administered in the past few years. In any event, the junior Senator from Virginia voted to try it out for 3 more years. Industry is entitled to some protection. So are our farmers. But there should not be an extreme on either side.

The farm bureau in Virginia wants to minimize Government controls. We want to get away from, if we can, excessive acreage controls and decreased production in return for a very small increase in price.

Mr. SYMINGTON. Mr. President, will the Senator from Virginia yield for a further observation?

Mr. ELLENDER. I yield for that purpose.

Mr. SYMINGTON. When I first came to the Senate, in January 1953, the distinguished Senator from Georgia [Mr. RUSSELL] made a speech in which he said the percentage of the total population of the United States in the business of agriculture had been reduced to 13 percent, and, nevertheless, that 13 percent was getting only 6 percent of the national income.

A few weeks ago I had occasion to check this figure again. I found that farm population is now 12 percent. That 12 percent of the population is now getting only 3½ percent of the national income. In other words, in the 5-year period, which until recently has been a period of general prosperity for labor, banking, and industry, the position of the farmer has steadily declined to one of greater inequality. The more I have seen of the operations of the Department of Agriculture during this period of time, and particularly since I have had the honor of serving on the Committee on Agriculture and Forestry, of which the distinguished Senator from Louisiana is the chairman, the more I have become convinced that the basic problem is the determination of the Secretary of Agriculture to force the farmer into a free and open market. At the same time there is disregard for the minimum wage



law, the guaranteed protection in the form of tariffs and other supports for the other segments of the economy. If this condition continues, without Congress stepping in and demanding a halt, within a few years the percentage of the population engaged in agriculture will be far less than 12 percent, and their income will be even less than  $3\frac{1}{2}$  percent of the national income.

I thank the Senator from Louisiana.

Mr. ROBERTSON. Mr. President, will the Senator yield for another observation?

Mr. ELLENDER. I yield.

Mr. ROBERTSON. The Senator from Virginia wants to make it crystal clear that throughout the years he has always taken the position our farmers have not had a proper share of the national income. The Senator from Virginia knew a few years ago that 13 percent of the population engaged in farming were getting 6 percent of the national income. Now the farm population is down to 12 percent. The Senator from Virginia had not seen the latest figure, but they are distressing.

The Senator from Virginia feels he may not be able to support all the multitudinous amendments, but that on the basis of the bill, as to cotton, wheat, rice—no rice is produced in Virginia—the bill would modify a little bit the support price in return for a much bigger production. In that way the farmer could get more income, and bring up his percentage of the national income. In that respect the Senator from Virginia thinks it is a good bill. It is not a question of whether the Senator from Virginia thinks business ought to have tariffs, or labor ought to have a minimum wage, and the farmer not have anything. The farmer for years has not received a just return for feeding the Nation, as well as feeding many people in foreign countries.

Mr. ELLENDER. Mr. President, it is not my desire to detain the Senate any longer, but I wish to emphasize, as I stated in my opening remarks, that the bill is essential if the producers of rice and cotton—particularly the small farmers—are to remain in business. Unless the bill is enacted into law, the cotton and rice farmers may find themselves in the same position as the tobacco farmers, as just described by the distinguished Senator from Virginia.

Let me summarize the cotton provisions briefly.

In the case of cotton the minimum national, State, and farm acreage allotment provisions of the Agricultural Act of 1956 expire with the 1958 crop. They provided for a minimum national acreage allotment of 17,391,304 acres; minimum State allotments to prevent any State from losing more than 1 percent of its share of the national allotment per year; and minimum farm acreage allotments of 4 acres or the highest acreage planted in the preceding 3 years, whichever is smaller. The total acreage allotted under these provisions in 1958 is 17,554,528 acres. In the absence of any legislation, it is estimated that the national acreage allotment for 1959 might be about 14.2 million acres and that would be the total acreage allotted. This

would present both the cotton farmer and the cotton trade with a very difficult situation, especially since due to bad weather and other factors, there is already a shortage in some qualities. The bill would remedy this by providing a minimum national allotment of 16 million acres; minimum State allotments to maintain each State's relative share of the national allotment; and minimum farm allotments equal to 10 acres or the 1958 farm allotment, whichever is smaller. This last provision recognizes that while the farms having allotments of 4 acres or less have been protected from further cuts during 1957 and 1958, the larger farms have not. The bill would prevent any farm whose allotment had been cut to 10 acres or less in 1958 from being reduced further. A 310,000-acre reserve, in addition to the national acreage allotment, is provided so that States and counties may meet these small farm requirements without reducing the acreage allotments of other farmers substantially. Sufficient acreage will be provided in any event to assure every farm of the minimum allotment.

In a further move to provide more acreage for those farmers for whom efficiency of operations require larger acreage, the bill provides that for each of the 1959 and 1960 crops each farm operator may, at his election, have his upland cotton acreage allotment increased by 40 percent. In order to obtain such increase he must agree to accept price support at 15 parity percentage points below the support level determined on the basis of the existing law. The additional acreage would not count as history in the computation of future allotments. Farmers not electing to take such increase in acreage would receive price support as provided by existing law.

Beginning with the 1961 crop, the support price for cotton would no longer be determined in relation to parity, but would be fixed at 90 percent of the average market price for the preceding 3 calendar years. The support level for upland cotton would not, however, be less than 30 cents per pound for middling inch.

With respect to rice, the bill provides for: First, permanent extension of the present minimum national and State acreage allotments; second, price support for 1959 and 1960 at between 75 and 90 percent of parity without regard to the supply percentage; and, third, price support beginning in 1961 at 90 percent of the 3-year average price, but not less than \$4 per hundredweight.

In the case of corn, the bill discontinues acreage allotments and the termination of a commercial area completely, beginning with the 1959 crop. Also beginning with the 1959 crop, corn price support would be fixed at 90 percent of the average market price for the preceding 3 calendar years, but not less than \$1.10 per bushel. With the discontinuance of allotments there would no longer be variations in corn support prices among cooperators and noncooperators or between producers in the commercial area and producers

outside such area. Only 38.6 percent of the farms receiving corn acreage allotments last year complied with them. With an allotment of 37,288,889 acres there were 57,967,098 acres planted or put into the corn acreage reserve program last year.

Support for the price of feed grains would be mandatory under the bill at levels fair and reasonable in relation to corn, but not less than 60 percent of parity. These commodities have all been supported on a discretionary basis for a number of years at levels well above 60 percent of parity.

In addition to the provisions just discussed, which are the principal provisions of the bill, the bill also provides for the following:

First, a minimum national upland cotton quota, beginning with the 1961 crop, adequate to assure a stable supply to meet world needs, but not less than the larger of 10 million bales or 1 million bales less than domestic consumption and exports.

Second, a new formula for computing extra long staple cotton marketing quotas, beginning with 1961, which would give less weight to carryover than does the present formula.

Third, use of a 3-year adjusted yield, instead of a 5-year yield, in converting national cotton marketing quotas into acreage allotments.

Fourth, authority to use the previous year's allotments as a base in making farm cotton acreage allotments. This method could be used by the Secretary if he found that it would facilitate administration. It would not affect the minimum farm allotment provisions, but would be used in lieu of the methods prescribed by sections 344 (f) (2) or (6) in allotting the remainder of the county allotment after the minimum farm allotments had been taken care of.

Fifth, retention of surrendered cotton acreage in the county so long as any cotton farmer desires it. This would prevent the county committee from surrendering to the State committee allotted acreage which had been surrendered by any farmer in the county, so long as any other cotton farmer in the county desired it.

Sixth, with the change in 1961 from parity to average market price as a basis for cotton price support, the support price for upland cotton would be based on the average designated spot market price for middling inch cotton and would be applied to that quality of cotton with appropriate adjustments for grade, location, and other factors. Middling sevenths would therefore no longer be the standard grade.

Seventh, several changes would be made with respect to the minimum price fixed by section 407 of the Agricultural Act of 1949 for the sale of cotton by the Commodity Credit Corporation. During each of the marketing years applicable to the 1959 and 1960 crops the Corporation would be directed to sell upland cotton at not less than 110 percent of the lower of the two levels of support applicable to the crop marketed in that year. This would tend to prevent the market price from rising to the higher



support level and giving the farmer who had chosen the larger allotment the advantage of the higher support level as well. Effective with the beginning of the marketing year for the 1961 crop, the minimum resale price for all cotton would be increased to 115 percent of the current support level, plus reasonable carrying charges; and an amount of cotton equal to the amount by which the estimated domestic consumption and exports exceed the national marketing quota would be exempted from these resale price restrictions. This increase in the minimum resale price would tend to encourage the trade to carry the inventory needed by it, rather than letting the cotton go to Commodity Credit Corporation. Exemption from the sales price restriction of the quantity by which needs exceed the amount to be produced would tend to provide a continuous stable supply at reasonable prices.

Mr. President, the bill is a good bill—it is the best bill we can obtain under the circumstances. I urge the Senate to pass it promptly.

Mr. YOUNG. Mr. President, I call up my amendment, offered for myself and the distinguished senior Senator from South Dakota [Mr. MUNDT], identified as 6-30-58-A.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new title:

#### TITLE IV—WOOL

SEC. 401. (a) Section 703 of the National Wool Act of 1954 is amended by striking out "March 31, 1959" and inserting in lieu thereof "March 31, 1963."

(b) The first sentence of section 704 of such act is amended by striking out the proviso contained therein.

(c) Section 705 of such act is amended by inserting after the first sentence thereof the following: "In addition to the amounts appropriated by the foregoing sentence, there are hereby authorized to be appropriated such further amounts as may be necessary to carry out the purposes of this act."

Mr. YOUNG. Mr. President, I wish to modify my amendment according to a further amendment which I now send to the desk and ask to have stated.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Mr. YOUNG. The new language appears in the blueprint.

The PRESIDING OFFICER. The modification will be stated for the information of the Senate.

The LEGISLATIVE CLERK. The following modification is proposed:

#### TITLE IV—WOOL

SEC. 401. (a) Section 703 of the National Wool Act of 1954 is amended by striking out "March 31, 1959" and inserting in lieu thereof "March 31, 1963."

(b) The first sentence of section 704 of such act is amended by striking out the proviso contained therein.

(c) Section 705 of such act is amended by inserting after the first sentence thereof the following: "In addition to the amounts appropriated by the foregoing sentence, there are hereby authorized to be appropriated such further amounts as may be necessary to carry out the purposes of this act; but notwithstanding any prior announcement of the

support level, no price support shall be made available through payments for any marketing year (beginning with the marketing year beginning in 1959) at a level in excess of 85 percent of the parity price for the commodity as of the beginning of such marketing year, if the Secretary in his best judgment determines that the expenditures to be made by the Commodity Credit Corporation in connection with payments to producers under this title with respect to wool and mohair marketed during such marketing year will exceed the percent of gross receipts specified in the proviso of the foregoing sentence for the calendar year ending in such marketing year. The Secretary when determining the level of support to be announced in advance of the beginning of any marketing year, may estimate the parity price as of the beginning of such marketing year and the parity price so estimated shall be used and regarded as final for the purposes of the foregoing sentence."

Mr. YOUNG. Mr. President, the present law with respect to wool, which has been in operation 3 years and which we are now seeking to extend, provides for an incentive program. The law provided an incentive to encourage greater production of wool in the United States. The Secretary was permitted to support wool prices up to 110 percent of parity.

In effect the modifying language which I have offered would provide a ceiling of 85 percent of parity on wool supports. The present situation is that under the program the payments are made from the receipts from 70 percent of the specific duties on wool. The Secretary under the act could support wool up to 110 percent of parity if there were sufficient funds available from the tariff, but there will not be sufficient funds available from this source. In effect, the top level at which the Secretary of Agriculture would be able to support wool in future years, or for the duration of the act, would be 85 percent of parity, unless the Secretary should ask for additional funds or there were sufficient funds available from the tariff receipts.

Mr. BARRETT. Mr. President, will the Senator yield to me?

Mr. YOUNG. I am happy to yield to the Senator from Wyoming.

Mr. BARRETT. At the outset let me thank the distinguished junior Senator from North Dakota, a distinguished member of the Committee on Agriculture and Forestry, for offering the wool bill as an amendment to the farm bill.

Forty-seven Senators joined me in the introduction of the wool bill, S. 2861, which was reported by the Committee on Agriculture and Forestry on April 21 last.

Mr. President, I ask unanimous consent that the names of the Senators who cosponsored the wool bill may be printed in the Record at this point.

There being no objection, the names of the Senators were ordered to be printed in the Record, as follows:

Mr. BARRETT, Mr. O'MAHONEY, Mr. AIKEN, Mr. ALLOTT, Mr. ANDERSON, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BRICKER, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CHURCH, Mr. COOPER, Mr. CURTIS, Mr. DWORSHAK, Mr. GOLDWATER, Mr. HICKENLOOPER, Mr. HRUSKA, Mr. HUMPHREY, Mr. JACKSON, Mr. JENNER, Mr. KENNEDY, Mr. KNOWLAND, Mr. KUCHEL, Mr. LANGER, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN of Iowa, Mr. Mc-

NAMARA, Mr. MORSE, Mr. MORTON, Mr. MUNDT, Mr. MURRAY, Mr. NEUBERGER, Mr. PAYNE, Mr. POTTER, Mr. REVERCOMB, Mr. SALTONSTALL, Mr. SCHOEFFEL, Mr. SYMINGTON, Mr. THYE, Mr. WATKINS, Mr. YARBOROUGH, and Mr. YOUNG.

Mr. BARRETT. Mr. President, the distinguished junior Senator from North Dakota [Mr. Young] discussed with me the provisions of his amendment, which, generally, fixes a limit of 85 percent on the payments under the Wool Act.

I am entirely in agreement with that provision. It is true that during the 1955 and 1956 marketing years the payments under the act equaled 106 percent of parity. The payments during the 1957 marketing year amounted to 101 percent of parity. When the incentive payments were set for this marketing year last fall they were at 95 percent of parity. At the present time, if the incentive level were set at 62 cents a pound, it would be at 87 percent of parity.

Mr. President, the Wool Act expires after payments on this year's wool clip. The Wool Act must be extended if we are to keep the sheep industry safely on the road to recovery.

Wool occupies a unique position in our agricultural economy. We have surplus supplies of every agricultural commodity save and except wool and sugar. We produce less than half of our domestic demand for wool and a third for sugar. The Sugar Act, in my opinion, has proved sound and equitable for both the producers and consumers.

From January 1, 1942, to January 1, 1958, the sheep population of the United States dropped from 49,807,000 to 27,300,000. Our country has grown from 80 million people in 1880 to 172 million, yet we have fewer sheep today than we had in 1880.

No doubt about it, the wool growers of America were in a desperate condition when the Wool Act was put on the books 4 years ago. The price-support program of loans and purchases for wool at 90 percent of parity in effect prior to that time had proved completely ineffective. The end result of the Government-support program was to stockpile domestic wool in the hands of the Government while foreign producers captured the American market practically in its entirety.

I am confident that the Wool Act has proved to be as fair and equitable as the Sugar Act. The five important provisions of the Wool Act are as follows:

First. The Congress declared its policy to encourage an annual production of 300 million pounds of shorn wool in order to promote the general economic welfare and to protect the national security.

Second. It established an incentive price to encourage larger production.

Third. The competitive position of wool with other fibers in the free market is not affected by the payments authorized to growers to bring their income from wool up to the incentive level.

Fourth. It was directed that not to exceed 70 percent of the accumulated totals of the specific duties collected on imports on wool and wool manufactures beginning January 1, 1953, be used to finance the incentive payments.



Fifth. It established a self-help feature. Mr. President, the money for the program comes from the tariff receipts on wool imported into the United States. So the tariff does double duty. In the first place, the proceeds from the tariff of 25½ cents a pound on clean wool imported into the United States are paid into the Treasury as customs receipts, and then paid to the producers in the United States as an incentive for increasing their production of wool. So the tariff does double duty.

Let me say to the distinguished Senator from North Dakota that the provisions of his amendment are entirely satisfactory to me. I discussed the amendment with him and with the chairman of the committee.

So far as parity is concerned, it is true that during the first 2 years of the Wool Act, benefits were paid on the basis of 106 percent of parity. For 1957, the rate was 95 percent of parity, and the payments at the present time are on the basis of 87 percent of parity. So, as the distinguished Senator pointed out, if the receipts from 70 percent of the specific duties on wool were insufficient to pay in excess of 85 percent of parity, that would be the limitation under the Senator's amendment.

Mr. YOUNG. That is correct.

Mr. BARRETT. The wool bill has worked out in an admirable fashion. If it were not on the books, I am quite certain that a large part of the sheep industry of the country would be liquidated. I believe that since wool and sugar are the only two commodities the production of which is deficient in this country, special consideration should be given to them. At the present time we produce about half the wool consumed in this country. So it seems to me that, since the tariff on wool has been decreased again and again, and the cost of production has gone up, which amounts to another reduction in the tariff, it is only fair and equitable to use the tariff receipts for the purpose of aiding the wool industry.

I hope the distinguished chairman of the committee will accept the amendment. I believe it is a sound provision.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. ELLENDER. I shall be glad to consider the amendment, but I am not able to accept it tonight. I can give assurance that our committee studied the wool bill, as the Senator pointed out, and reported it—but not in its present form.

Mr. BARRETT. So far as the Senator is concerned, it is in better form tonight than it was when it was reported.

Mr. ELLENDER. As the Senator from North Dakota will recall, the objection which I originally had to the wool bill as it was reported by our committee was that the bill authorized appropriations from the Treasury in any amount in order to pay wool growers as much as 110 percent of parity. As I understand this amendment if 70 percent of the proceeds from import duties on wool are sufficient to pay 110 percent of parity, or whatever the level of payments may

be, that amount will be paid. However, the modified amendment offered by the distinguished Senator from North Dakota provides that, should the maximum amount of import duties be insufficient to pay the wool grower as much as 85 percent of parity the difference would be paid from the Treasury.

In other words the Treasury would be obliged to make up the difference between payments and 70 percent of the tariff receipts, up to a maximum of 85 percent of parity.

Mr. BARRETT. I thank the Senator.

Mr. ELLENDER. After discussing the issue with the distinguished Senator from North Dakota and with the able Senator from Wyoming, it seems to me that the amendment as modified represents a fair compromise.

Mr. YOUNG. It is a good compromise.

Mr. ELLENDER. So far as I am personally concerned, I will support it, but I would like to have the question submitted to the Senate for a vote.

Mr. BARRETT. I think that is a fair suggestion. I did not mean to press the Senator this evening.

In my judgment, this provision would make it possible to support wool as it has been supported under the Wool Act, and not exceed 85 percent of parity.

Mr. ELLENDER. I am satisfied that the amendment as presented is much better than that originally offered.

Mr. BARRETT. I thank the Senator.

Mr. THYE. Mr. President, will the Senator yield?

Mr. YOUNG. Before I yield, I thank the Senator from Wyoming for placing in the RECORD the names of all the sponsors of the wool bill which is now on the calendar, and which I am offering as an amendment to the pending bill. The first sponsor was the Senator from Wyoming [Mr. BARRETT], who for many years has done a great deal of work, not only on this particular piece of legislation, but on wool problems generally. Many of the other 47 sponsors were working on these programs long before I came to the Senate. I was very happy to have the Senator insert the names of the sponsors in the RECORD.

Mr. BARRETT. Mr. President, will the Senator further yield?

Mr. YOUNG. I yield.

Mr. BARRETT. Inasmuch as the Senator referred to the fact that the wool bill is on the calendar, I am very hopeful that the farm bill will receive favorable consideration from the other body. However, in the event something should happen to the farm bill on the House side of the Capitol, I am very hopeful that the leadership will schedule the wool bill now on the calendar for consideration, and that it can be separately passed, in the event there is trouble with the farm bill.

Mr. YOUNG. I would be happy to join the Senator from Wyoming in such a request, should the pending bill not become a law.

Mr. THYE. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. THYE. I wish to join in the discussion of the wool bill, and also to com-

mend the distinguished Senator from North Dakota for proposing it as an amendment to the agricultural bill which is before us.

The wool bill should have been enacted earlier in the year. It was reported from the Committee on Agriculture and Forestry with the hope and expectation that, like Public Law 480, it would be acted upon earlier, and that we would not have to consider it in the closing weeks of the session, when we are extremely busy with appropriation bills and many legislative bills.

I join my friend from North Dakota in paying tribute to the Senator from Wyoming as one who has endeavored to bring about the enactment of legislation which would be an inducement to increase the production of wool, or increase the number of sheep on the range.

Wyoming is a great sheep growing State. Many sheep are grazed there because the area is suited to sheep raising. But at present a herdsman cannot be obtained to follow a flock of sheep unless he is paid a wage which is so extremely out of line that the ordinary rancher cannot afford to pay it and continue in the sheep business. That was the reason for this particular type of legislation. It was necessary if we were to persuade ranchers to continue in the sheep business. I believe I am correct.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. BARRETT. Let me say to my distinguished friend from Minnesota that it is true that Wyoming is the greatest wool producing State in the Union, save the State of Texas. But we are encountering much difficulty in the production of wool in our State by reason of the fact that labor costs have risen to a great extent. Whereas 10 or 12 years ago it was possible to hire a sheep herder for \$150 a month, today it requires about \$300 a month to obtain a good herder; and all other costs have risen in proportion.

I thank the Senator for his kind remarks.

Mr. YOUNG. Mr. President, I ask the Senator from Wyoming if it is not true that we import from 50 to 65 percent of our wool requirements in the United States.

Mr. BARRETT. Yes. Our importations at the present time are a little less than half of our consumption. We produce a little less than half of what we consume at the present time. It is true that foreign wools can be produced much more cheaply than domestic wools, so it is quite difficult for us to sell our wool in competition with Australian wool, which is imported into this country at a lower rate than we can possibly produce it.

Mr. THYE. Mr. President, will the Senator further yield?

Mr. YOUNG. I yield.

Mr. THYE. The handling of sheep is a highly skilled type of farming operation.

At lambing time it is necessary to have skilled help, or the losses are extremely heavy. When it comes to shearing, that involves a skilled operation. It is not possible merely to hire any man who is



standing on a street corner to do that kind of work and expect proper care to be given to the flock. Therefore, it is imperative that we pass the proposed legislation with respect to wool. It is necessary to have sufficient wool production. It is vital to our national defense, particularly if we become embroiled in a war. Certainly, we must have sufficient wool in time of war. That was shown by our experiences in World War II. It would be evident again, regardless of whether we were in an atomic age. Wool must be available if we are engaged in war.

Therefore, it is a double necessity that we maintain the flocks of sheep throughout our land. We will not have sufficient wool in competition with Australia and New Zealand unless we set up an incentive program, such as is embodied in the amendment offered by the distinguished Senator from North Dakota and the distinguished Senator from South Dakota [Mr. MUNDT]. It is an amendment which will take the place of the bill already on the calendar.

Again I wish to say to my friend from North Dakota that there is never a time when farm subjects are discussed that we do not find the Senator from North Dakota [Mr. YOUNG] and the Senator from Wyoming [Mr. BARRETT] on the floor of the Senate. They are men who know the farm subject and the farm problem, and they are looking after the interests of the farmer and the rancher.

I merely wish to add my word of appreciation. I see on the floor also the Senator from Louisiana [Mr. ELLENDER]. What I have said is equally true with respect to him, the able chairman of the Committee on Agriculture and Forestry. Standing at his side is the Senator from Mississippi [Mr. STENNIS]. They have been endeavoring to protect the interests of the farmers from the very first day this session convened. It is almost 9 o'clock in the evening, and they are still looking after the interests of the farmer.

Mr. YOUNG. If I were a sheep herder I would be in bed by this time.

Mr. THYE. The Senator would be in bed if he were a sheep herder. Yet here he is looking after the interests of the sheep herder.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks a letter I received from Mr. Carl J. Nadasdy, general manager of the Wool Growers Association. It is a very informative letter and I believe it would be helpful to have it in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WOOL GROWERS ASSOCIATION,  
Minneapolis, Minn., July 18, 1958.  
Senator EDWARD J. THYE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR THYE: Congress will probably adjourn in about 3 weeks. No action has been taken by either the Senate or the House on extension of the National Wool Act. However, the President, the Secretary of Agriculture and the Agriculture Committees of both the House and Senate are in support of this legislation. It is becoming

more obvious to us every day that the only obstacle to the Wool Act Extension at this time is election year politics.

If this act is allowed to expire, both the support program for wool and the lamb and wool promotion program will die. We cannot long survive under these conditions. As you know, wool is completely different from other agricultural commodities because it is in short supply rather than in surplus. The wool support program is to increase production, not to decrease or control production. There has been a tremendous interest developed in sheep raising, but, as yet, we have not reached the wool production goal setup in the Wool Act.

Wool growers all over the Nation have placed their wholehearted trust in the Congress to maintain an equitable and stable program for wool. Many of these people depend upon their sheep for a large part of their income. It does not seem fair to play politics with the very livelihood of wool growers. The production of sheep is entirely different from raising of crops. A wool grower has a big investment in animals, special fencing, feed and equipment. It is not possible for him to merely go out of the sheep business or switch to another crop without taking a major loss.

We are fully cognizant of the difficulties involved in passing a piece of legislation for one commodity alone, but this is an extension of an act already in effect and functioning extremely well.

All we ask is that the bill for Wool Act Extension be brought to the floor for a vote. You have been a good friend of ours and we are deeply grateful. Now, more than ever before, we sincerely need your strong help in getting action on this bill. It is apparent that the only possible chance of success for the Wool Act is to have it voted on as a separate bill and not as part of a general overall farm program. We don't want to be tacked-on to another legislative action to enhance that bill's appearance.

The National Wool Act can stand on its own two feet as an excellent and well-devised program for our commodity. On behalf of our organization we earnestly hope that you will take immediate action to see that the Wool Act Extension is considered before adjournment. Our growers will be watching with anxious and hopeful eyes for speedy passage.

Respectfully yours,

CARL J. NADASDY,  
General Manager.

Mr. YOUNG. I thank the Senator from Minnesota.

Mr. BARRETT. Mr. President, will the Senator yield to me further?

Mr. YOUNG. I yield.

Mr. BARRETT. Inasmuch as the distinguished Senator from Minnesota mentioned the fact that Wyoming grows a large number of the sheep, I call attention to the fact that 287,224 people participated under the Wool Act during the past 3 years and received payments under the Wool Act. Eighty percent of those people ran less than 50 head of sheep. Eighteen percent ran from 50 to 600 head of sheep. Two and four-tenths percent ran more than a thousand head of sheep. One-half of 1 percent ran more than 2,500 head of sheep. Therefore, the Wool Act is operating for the benefit of a tremendously large number of small growers in every State in the Union. I believe it ought to be distinctly understood that 80 percent of all the growers receiving benefits under the

Wool Act ran less than 50 head of sheep. I thank the Senator.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. BIBLE. I regret that I was not in the Chamber to hear all of the Senator's remarks. I should like to associate myself with the Senator from North Dakota in offering the amendment. I know the Senator's interest in this industry. I likewise would like to voice my own opinion that wool is one of the strategic commodities which is not produced in sufficient quantities in our country to meet our domestic needs. The Wool Act has proved of immeasurable help in my State. Without it the industry would have gone down the drain, to use a colloquialism. I have received many telegrams urging action to extend the Wool Act. Earlier I received telegrams enlisting my assistance in support of the wool bill which was reported by the Committee on Agriculture and Forestry.

At this time I ask unanimous consent to have incorporated in the RECORD, a series of telegrams in support of the extension of the Wool Act.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

CARSON CITY, NEV., July 22, 1958.  
Hon. ALAN BIBLE,  
Senator for Nevada,  
Senate Office Building,  
Washington, D. C.:

Nevada woolgrowers unanimously are in favor of support of extension of the Wool Act as a protection to one of our basic industries. I concur with them that extension is essential. Please file copies of this telegram with committee.

Regards.

CHARLES H. RUSSELL,  
Governor.

ELKO, NEV., July 21, 1958.  
Hon. ALAN BIBLE,  
United States Senate,  
Washington, D. C.:

I have been urged by the sheepman to contact you regarding action to review the Wool Act before adjournment of Congress. Your efforts on behalf of the steep industry at this time will be gratefully remembered.

CELSE MADARIETA.

RENO, NEV., July 21, 1958.  
Senator ALAN BIBLE,  
Senate Office Building,  
Washington, D. C.:

Wool bill is extremely important to the sheep industry in the Western States we would greatly appreciate your efforts to see to it that this bill passes through this present session of Congress. Time is short. Due to influx of imported manufactured goods and high operating cost incentive help is necessary.

WHEELER SHEEP CO.  
REG MEAKER.

SPRING VALLEY, NEV., July 21, 1958.  
Senator ALAN BIBLE,  
Senate Office Building,  
Washington, D. C.:

DEAR SENATOR BIBLE: Please make every effort to get National Wool Act extended this session of Congress.

Yours truly,

HENROID LAND & LIVESTOCK CO.  
LAWRENCE HENROID.



ELKO, NEV., July 21, 1958.

HON. ALAN BIBLE,  
United States Senate,  
Washington, D. C.:

Have been advised that the wool bill might not be passed before adjournment of Congress. As you are aware this wool program has been the salvation of the industry therefore would appreciate your immediate efforts on behalf of this wool bill.

BLUE DICK SHEEP CO.  
DOMINGO CALZACORTA.

YERINGTON, NEV., July 22, 1958.

Senator ALAN BIBLE,  
Senate Office Building,  
Washington, D. C.:

We urge immediate action for renewal of the Wool Act.

F. M. FULSTONE, INC.  
F. M. FULSTONE, JR.  
ROBERTS SHEEP CO.

YERINGTON, NEV., July 22, 1958.

Senator ALAN BIBLE,  
Senate Office Building,  
Washington, D. C.:

Assurances here passage of National Wool Act before August adjournment would greatly benefit woolgrowers of Nevada. Urge your best efforts for such legislation.

Kind personal regards,

FRED STROSNIDER.

ELY, NEV., July 22, 1958.

Senator ALAN BIBLE,  
Senate Office Building,  
Washington, D. C.:

Will appreciate your making every effort to secure passage of the National Wool Act. The future of the wool industry in Nevada is at stake. It can mean the difference between operating at a loss and a small profit. Without the passage of this legislation it would no doubt mean much further liquidation in the sheep industry, as was the case prior to the passage of this act. I would appreciate very much your efforts in getting this bill put through.

DANIEL B. CLARK.

Mr. BIBLE. In conclusion, Mr. President, I should like to quote from a statement made by C. W. Jackson, public relations director of the National Grange, who summed up the feelings of his organization on the wool bill as follows:

During a short period of 3 years it has halted the liquidation of flocks, developed a strong demand for breeding stock, increased producer income, reduced Government cost, eliminated Government wool purchases and stocks previously acquired, returned wool market responsibilities to private trade, encouraged quality production and improved marketing procedures, and has provided producers with a self-financed mechanism to increase the consumption of wool and lamb.

That expresses my sentiments, and I believe it expresses also the sentiments of the wool industry of the State of Nevada. I am very happy to associate myself with the amendment of the distinguished Senator from North Dakota.

Mr. YOUNG. I thank the Senator.

Mr. President, the amendment I am offering to the pending farm bill would extend the present Wool Act 4 years beyond its present expiration date of March 31, 1959. The provisions and even the wording of the amendment I am offering are exactly the same with the exception I have discussed as the wool bill approved earlier this year by the Senate Agriculture Committee by a

unanimous vote. That bill is now pending on the calendar. My purpose in offering it as an amendment to this bill is to expedite its approval by Congress.

The sheep and wool production in the United States had dropped steadily over a long period of years just previous to the passage of the present Wool Act approximately 4 years ago. The sheep population of the United States at that time had reached the lowest level in 70 years. Wool is a deficit commodity. Even now during peacetime, we import far more than we produce. In time of war wool is one of the most essential of all farm commodities.

Because of the need to increase the production of this highly essential commodity the Congress approved the present Wool Act providing a new type of price-support program. Previously, we had 90-percent supports for wool but this program did not prevent a steady decline in production necessary to meet the bare minimum needs of this country of this very vital strategic war material.

The program has worked very satisfactorily. The Government no longer holds any stock of wool and the cost of the program has been considerably less than the previous one.

For the first time in a great many years wool production in the United States began to increase. According to the release by the Department of Agriculture on February 14 of this year stock sheep and lambs on ranches on January 1 were estimated at 27,390,000 head or 3 percent more than a year earlier and the largest inventory number since January 1, 1953. Ewe lamb numbers increased sharply to 4,347,000—a gain of 16 percent from a year earlier and reached the highest level since January 1, 1952.

The retention of ewe lambs indicates that the present wool program is encouraging growers to expand their sheep and wool production operations as range and forest conditions permit in accordance with the intent of the act. It will be recalled that the major reason for the adoption of this legislation 4 years ago was based on the need for increasing this strategic war material.

Increases in sheep and wool production can be only gradual. It takes time to hold back more ewe lambs and to get those lambs into production. The increase in the production underway as a result of the operation of the National Wool Act is very gratifying. It must be recognized that the growers under this incentive plan program did not get their first payments until the summer of 1956. Furthermore, severe drought conditions prevailed in Texas and other important sheep-producing areas during the first years of the program.

In order to maintain the gains toward increased production already underway and to save those ewe lambs that are now reaching market weight and condition from going to slaughter this summer and fall, continuation of the program under the National Wool Act of 1954 must be announced in the very near future. Without the assurance of continuation of an incentive price, many producers will not have the confidence to retain their ewe lambs for breeding stock or

probably stay in the sheep business at all.

The Wool Act expires March 31 of next year. Unless Congress acts to continue this program before we adjourn, the major objectives of the original legislation will be largely lost and, in addition, we will be doing severe injury to one of the most important industries in the Nation. There are a few so-called large sheep-ranch operations. However, most of the wool produced in the United States comes from very small farms. The average number of sheep on United States farms is only seven. Sheep production fits very well into diversified small family-type farming operations. In continuing this program we are taking a positive step toward helping maintain the smaller farmers of America and in making possible the production of a strategic commodity.

#### COMMITTEE MEETING DURING SENATE SESSION TOMORROW

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Committee on Armed Services be permitted to sit during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. PROXMIRE obtained the floor.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. TADMAGE in the chair). Does the Senator from Wisconsin yield for that purpose?

Mr. PROXMIRE. I yield.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. PROXMIRE. Mr. President, I serve notice on the Senate that this will be a long speech. I apologize because I realize the hour is late. However, I feel very, very deeply about this measure. It drastically affects the farmers of Wisconsin and most severely and seriously affects the farmers of America. Therefore, I feel it is essential that I make this speech, although I recognize the hour is late and I recognize the serious inconvenience which, unfortunately, it causes my colleagues and the very fine and efficient employees of the Senate.

We are being asked in the bill before us to reverse a basic fundamental of the Federal farm program. The bill covers only cotton, rice, corn, and feed grains. For all these commodities, the parity concept would be abandoned, and the concept of parity farm income and parity prices cannot be maintained for other commodities if it is abandoned for three of the traditional basics and for the feed grain complex which make up



so large a share of the total farm income.

The bill makes a fundamental turn toward abandoning the principle that, because of their weak bargaining power in the market, farmers need and in fairness deserve to have help through Federal farm programs to strengthen their bargaining position. It makes a fundamental turn away from enabling farmers to maintain fair prices if they are willing to cooperate by keeping supplies in reasonable balance with demand.

This is the key to any farm program which is intended to work. We simply must recognize that farm production must be brought into balance with the demand for farm products. The fact is that the demand for most farm products is very inelastic. This, of course, means that if production exceeds demand by just a little bit, the price drops very, very greatly. This is an absolute essential of farm economics. I think it must be understood and must be appreciated.

I think that to see how unjust it is to expect a farmer to produce an unlimited amount, with no restraint or no restriction, one has only to compare farm economics with industrial economics, with retailing economics, and with labor economics.

If the automobile industry were placed on the same basis as we place the farm industry, General Motors would be required to operate full tilt, 24 hours a day, 7 days a week, 52 weeks a year, to keep its assembly lines rolling and turning out as many cars as possible, piling them up, and letting the consumer come forward and bid. Obviously, on that basis, General Motors would not stay in business a month. Probably it would not stay in business even for a few weeks.

The steel industry is another example. I think if anything should be clear to the American people, it is that the steel industry restricts its production and tailors its production to demand. The steel industry, like the automobile industry, establishes its prices according to what it considers to be a fair price based on the costs.

This is not true only of the steel industry, the automobile industry, and big industries generally. It is also true of virtually every merchant and every storekeeper in the Nation, whether they are located in Georgia, Nebraska, Wisconsin, New York, or California. The fact is that unless merchants are contemplating going out of business, they limit their sales to the amounts they can sell for a fair price. That price must cover what they pay for the merchandise they sell and their costs of operation. Unless they receive that price, they do not stay in business long.

Like many other Senators, I, myself, have been in business. In our business, we always fixed the price at which we sold on the basis of our costs. We had to, if we wished to stay in business very long.

In that business some of the competitors do not have a cost analysis system and do not limit their sales to the amounts they can sell for a fair price; and the result is that they do not stay in business long.

Mr. President, the fact is that about 50 or 60 years ago in most cases labor did not limit its production, there was no limitation on hours of labor and production was not limited to the amounts which could be produced by labor which was paid fair wages and fair salaries, and which then could be sold at a profit.

Of course, under the labor laws passed in the 1930's, organized labor developed the power, the strength, and the ability to limit what it produced to what it could produce when it was paid a fair wage or a fair salary. Of course, the result of that process has been that the income of labor has increased, the income of business has increased, and the income of manufacturing groups and industries has increased. But the income of farmers has dropped steadily. I believe this factor is so important in connection with our consideration of the pending measure that every Senator and every farm economist should reflect on it at great length.

The pending bill represents a major shift from the concept that we have followed for one-quarter of a century, and the bill would take us back to the concept that farmers should be left defenseless and without effective bargaining power—in a market situation dominated by big business, big finance, and big labor. The fact is that the farmer, almost alone in our economy, does not have any bargaining power. When he comes to market with his produce, he asks, "What am I bid?" And when he goes to market to buy what he needs, he asks, "What price do I have to pay?" He is unable to influence in any way the prices he pays for the things he buys; and he is the only one in the economy, or substantially the only one, who has such weak bargaining power.

This drastic shift in policy would be applied to corn and feed grains beginning in the first year of operation of the proposed program. The full return to an unprotected system of pricing would be delayed for cotton and rice until 1961.

This bill may be interpreted in either of two ways.

If it is to be interpreted literally, we must regard it as a transitional step toward a scheme under which farm prices will float ever downward. That is the only possible meaning of a policy of setting a "support level" that will be 10 percent below the average market prices of the preceding 3 years. This is not "support". At best, it is a leaky parachute, which can travel in only one direction—down—until it hits rock bottom. And a parachute that will permit farm prices to decline by 10 percent a year of the preceding 3 years' prices is a leaky one, indeed. Ten percent a year is a frightfully dangerous rate of descent. It is doubtful that it would be any better than an unadorned suicide leap out the window for our agricultural economy. But even the most optimistic interpretation of the bill—which can be made only by ignoring the clear meaning of the language concerning the establishment of "supports" at 90 percent of the preceding 3 years' prices—shows

that it represents a devastating defeat of the principle of parity price support in farm policy.

Incidentally, Mr. President, it is most peculiar, and perhaps it is most clever and adroit, that the provision regarding 90 percent of the preceding 3 years' prices has been hit upon. Unfortunately, many persons—both those on the farms and those off the farms—will be deceived into believing that that provision means 90 percent of parity. But, of course, any careful reading of the bill shows that it will mean far from 90 percent of parity. In some cases it will mean 90 percent of 70 percent of parity, and then 90 percent of 60 percent of parity, and then down, down, down. Even if it is assumed that supports 10 percent below recent average prices are not the ultimate supports intended by this program, the bill abandons completely the parity concept, and substitutes support floors expressed in dollars-and-cents terms that provide no protection for farmers against the erosive effects of inflation.

That point was brought out very well by the distinguished Senator from Missouri [Mr. SYMINGTON], who is such a keen student of agricultural economics, is such a tremendously important member of the Committee on Agriculture and Forestry, and has been so great a champion of the family farmer, including the dairy farmer.

The pending bill immediately abandons parity as a measuring stick for farm price floors. For cotton, it fixes a support rate at 30 cents per pound for middling 1-inch cotton—which is only 26 cents for the present official grade, and only about 70 percent of parity. For corn it fixes a support floor at only \$1.10 per bushel—about 63 percent of parity. For the other feed grains, it fixes support floors related to corn priced at \$1.10 per bushel. For rice, it fixes a support floor of \$4 per hundred pounds—only about 70 percent of parity.

Mr. HUMPHREY. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield to the distinguished Senator from Minnesota.

Mr. HUMPHREY. The Senator from Wisconsin has been stating that the pending bill will set fixed price levels.

Mr. PROXMIRE. Exactly so.

Mr. HUMPHREY. As such, if we interpret those price levels in terms of parity percentages, the bill really will set fixed percentages of parity.

Is it not interesting that the bill is being supported by the administration and is being vigorously supported by the Secretary of Agriculture, who, only 2 years ago, when he appeared before the Senate Committee on Agriculture and Forestry, condemned fixed price supports? At that time he wanted flexibility; he wanted as much flexibility as is demonstrated by a rock and roll artist. But now the Secretary of Agriculture wants to have fixed prices.

I grant that the prices, as he would have them fixed, would be fixed too low; but that was to be expected, in view of the economic philosophy which has emanated from the Department of Agriculture.



Mr. PROXMIRE. I may say that the flexible supports the Secretary favored were flexible in only one direction, namely, downward.

I understand that at a recent press conference the Secretary of Agriculture has indicated that he is not quite satisfied with these fixed prices; I understand that he now has indicated that he is not satisfied, because they may not be low enough. He thinks they should be lower.

Mr. HUMPHREY. Mr. President, will the Senator from Wisconsin yield further to me?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. A very clear maneuver is underway. The Department of Agriculture is saying that it will accept the bill which is now before the Senate, and will accept the floors provided by the bill—such as \$4 for rice and 30 cents for cotton and \$1.10 for corn. The Department of Agriculture says it will accept them. In other words, we have been assured by the Secretary of Agriculture that the President will not veto the bill if it provides for such fixed prices.

But since that acceptance violates every commitment the Secretary of Agriculture has made before the committee, in terms of the positive program of the administration, or at least the acknowledged program of the administration in the field of agriculture, now we are told that, although the Department accepts these particular price levels, it believes that the bill would be even better if it permitted prices to be lowered even more, and if the bill did not provide for any floors.

Mr. McLain, the Assistant Secretary of Agriculture—as I shall state in the course of my subsequent remarks on the bill—said the Department would prefer to have no price floors provided by the bill. He also said that once this bill is enacted, the Department will give the same treatment to tobacco and to wheat. So there is more in the offing.

I have also been told that although the Department of Agriculture accepts Senate bill 4071, and although we have been assured that the President will sign it, and that if the bill is passed and is enacted into law the Secretary of Agriculture will not be angry, but will be able "to live with it," the Department's representatives also say that, really, the bill is sponsored by the American Farm Bureau.

So we notice that the administration and the Department have two or three escape hatches. On the one hand, they say the bill is "acceptable" or that they can "live with it." Next, they say that the principles on which the bill is based do not represent the principles of the administration, but that essentially they are the recommendations of the American Farm Bureau.

In case somebody points out, as the Senator from Wisconsin is pointing out, that this bill repudiates the commitments of the Congress in the act of 1938, that this bill is a complete reversal of agricultural policy, and the greatest single reversal since 1933, that is just a nice way of letting the administration

say, "Oh, we didn't do it. We didn't do that. A Democratic Congress did that." If it does not go over in some areas where there is a strong Democratic majority, they are going to say, "We didn't do this. We only accepted it. It was all we could get. It was the American Farm Bureau." So everybody is going to be a scapegoat while the Department of Agriculture gets its way.

I appreciate the action of the Senator from Wisconsin in being so generous with his time as to yield to me for these observations, but I predicted in the Senate, in the debate of 1954, that the objective of the administration was not flexible price supports, that the objective of the administration was not 100 percent in the market place, but that the objective of the administration was no price supports, or, at best flexibility from zero to 90, with emphasis on the zero.

I must say I do not think I shall have to wait to be many years or many months older before that objective will be made plain for all to see—the great plan of the Department to scuttle the price-support program, the premeditated plan of the Department of Agriculture to do away with the production controls which are necessary for an effective farm program. That plan will be unfolded in its ugly nakedness for all to see.

It is being unfolded. We are getting a strip tease now. This is merely a little teaser. Just wait until the full act comes on for the boys in the back room. That is what is going to happen. This is only the beginning. We have had a forewarning from the Assistant Secretary of Agriculture, Mr. Marvin McLain, a very fine man, who has told us this bill has weaknesses, that it goes too far in providing price floors, but that it was the best that could be gotten out of committee, but he has more to offer next time for wheat and tobacco.

So let me assure my colleagues, as they read the RECORD tomorrow, there is going to be a boobytrap for everyone—not a prize, but a boobytrap. Right now only a few are getting it.

I thank the Senator for yielding to me.

Mr. PROXMIRE. I thank the Senator from Minnesota. I should like to add that I think this strip tease has gone too far. In fact, I think the strip tease has gone so far that, to carry the analogy further, it is about time to raid it. I think it is fantastic that the Department of Agriculture should say they are accepting this bill with reluctance, when its program has constantly been to drive down farm prices. Certainly the effect of this bill will be to drive down drastically the prices of corn, cotton, and rice. Of course, the effect on dairy products and meat products is going to be most unfortunate and most serious.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. The feed grain amendment in this bill for the first time considers the average price in the market place for 3 years, and in order to sort of trick the people, because they have automatic reflexes, it is said 90 percent of the average price in the mar-

ket place will be taken, and that will be the price-support level. That part of the bill has been justified in public print as one of the reasons why there is no need for an increase in the price of dairy products. The spokesmen for the Department of Agriculture say that if there is cheap feed, there is really no need for a fair and a decent price for dairy products, because if there is cheap feed, farmers will be able to supply feed required for a dairy herd, so they can afford to take a cheaper price for dairy products.

While that has been the justification which has appeared in public print and has appeared in many journals, I may say that, on the other hand, when the Department witnesses were asked whether cheap feed would not ultimately result in cheaper beef and cheaper hogs for the farmers, they said "Yes."

The record is filled with testimony, in hearing after hearing on agricultural policy, that when the prices of feed grains are reduced, two things happen. The prices of cattle and swine are reduced, and there is a tendency for the prices of fowl to decrease—chickens, turkeys, and ducks. The record also shows there is a tendency to increase production. These are not statements by the junior Senator from Minnesota; that was the testimony brought out in hearing after hearing held by the Committee on Agriculture and Forestry, which traveled from one part of the Nation to the other. We went all over the country and held hearings. I believe that was in 1955. One hearing was held in Brookings, S. Dak.; one was held in Minneapolis, Minn.; one was held in Oklahoma; one in South Carolina. Hearings were held everywhere. In all the hearings, witnesses testified to the fact that it is economic law in agriculture that cheap feed means cheap beef; when we have cheap feed and cheap beef, we have a cheap agriculture.

I warn my colleagues that once we start with cheap agricultural prices in a high economy, we are in trouble. The cost indexes show that consumers pay high prices and farmers receive low prices. Now the Senate has a bill before it which has as its primary objective maximum production at cheap prices; unlimited production at cheap prices. This is merely a further chapter in the premeditated plan to choke off and to kill off effective price supports and market controls.

Mr. PROXMIRE. May I point out that cheap feed also means cheap milk?

Mr. HUMPHREY. For the producer.

Mr. PROXMIRE. For the producer, that is correct; not for the consumer.

Mr. HUMPHREY. I hope someone will bring forth the testimony to show how consumers are "benefited," according to the Department of Agriculture release, at the time milk-support prices are reduced. I hope somebody will be able to demonstrate the assertion that when the farmer's price for the milk he is able to produce is cut, the consumer will save money. There are only two examples of such price reduction. One was in Washington, D. C., when some of the chainstores temporarily reduced



the price of butter. But the price crept up afterwards. The Secretary would rather be right for a week than stand by a good price-support program. After the price dropped for 1 or 2 weeks, it edged up again. I want someone to show me that in New York, Philadelphia, Chicago, Pittsburgh, and in other large cities where 80 percent of the population lives, the price of fluid milk in the bottle which is served to the families in America has gone down 1 penny a quart. I may say that the dairy producer's income has come down hundreds of millions of dollars. The Senator from Wisconsin comes from the greatest dairy State in the Union. I come from one of the great dairy States.

I say to my friends that the drop in price supports on milk in Minnesota has cost our economy millions and millions of dollars, and there has not been as much as one-tenth of a cent saving to the consumer in the price of milk.

Mr. PROXMIRE. As a matter of fact, the price of milk has gone up in many, many markets, at exactly the same time the price of milk for the farmer has gone down.

Mr. HUMPHREY. The Secretary of Agriculture listed as 1 of the 3 or 4 reasons to justify his cutting the price support levels on milk—and a very important reason, according to his statement—that it would reduce the cost of living and it would reduce the price of dairy products to the consumer. I say the burden of proof is upon the Secretary and his followers—upon the Secretary and those who stand with him—to show that such has happened. I charge they cannot show it. I say all that has resulted is a reduction in the producer's income, with no substantial reduction in consumer prices.

Mr. PROXMIRE. The Senator is exactly right.

Mr. President, setting fixed dollar-and-cents support floors is tantamount to guaranteeing that the fixed price support will continuously become a smaller and smaller percentage of the parity price. No one expects that in the years ahead the prices farmers must pay for production and living items and services will go down. The parity index measuring these prices paid by farmers has gone up 3 percent in the past year. Its continuous rise is expected. As farmers' expenses rise, the fixed dollar and cents support floors will be less and less adequate, and farm commodities will buy less and less. If farmers' costs continue to rise as there is every danger that they will, the fixed dollar-and-cents minimums established in the bill may actually turn out to be lower than disaster-level prices very soon.

Dependence on fixed dollar-and-cents support floors is a delusion. It will place the farm program on quicksand which will melt away as pressure is put on it from rising farm costs.

But the literal, longer-range meaning of the bill—changing from a parity yardstick to 10 percent below the recent average market—will place farmers on an even more treacherous economic foundation.

To set supports each year at 10 percent below the average market price for the preceding 3 years is practically to provide no supports at all. The proponents of this proposal base their case on figures for recent past years. The figures are shown in the committee report, in the tables on pages 5 and 10. The figures for the 3-year moving averages are based upon past years in which more nearly adequate farm programs were in effect. Neither the proponents of the proposal nor the committee report projects the estimates forward into years when the entire 3-year moving average will be established under the programs proposed in this bill.

I have had some studies made of what these provisions would mean to manufacturing milk and butterfat, if the same provisions that this bill applies to corn, rice, and cotton, were to be applied to milk.

Application of the 10 percent below market price supports formula for butterfat would have a disastrous result for many hundreds of thousands of milk producers in Wisconsin, Minnesota, Iowa, South Dakota, and other States. It would mean a rapid reduction of the support price of butter toward a level approximately 10 percent below the wholesale market price for oleomargarine. Under such defenseless conditions as a 10 percent per year decline from average prices would place dairy producers, and with the unmanageable production that collapse of the overall farm programs would lead to, the premium value of butterfat would substantially be sacrificed. Under such a program, butterfat prices again would skid down toward the price of oleomargarine, as it did in the 1930's. This would mean, within a few years, that the butterfat support level of 58.6 cents per pound in 1957 would be cut to something like 20 cents per pound. Dairy producers who sell butterfat in cream, who already receive among the lowest incomes of any commercial family farmers in the Nation, simply could not survive a financial blow of this magnitude.

For manufacturing milk, application of the 10 percent below market price support formula would, within a few years, drop the support level from the current level of over \$3 per hundred pounds, to 10 percent below the export price. This would be the price at which we could ship our surplus production of dairy products to Europe or Japan, pay the ocean freight, and compete in those markets with dairy products produced in other nations.

Mr. President, this is the logical result of the program which is embodied in the bill.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to get the RECORD perfectly straight, because I think the Senator is bringing out a point which is not well understood among the lay public or even among those who convey information to the people of the United States. I have

not read this information, for example, in the press or in the weekly journals.

Do I correctly understand that the Senator from Wisconsin is saying the formula which is in this bill, used, for example, with respect to cotton and the feed grains, but particularly with respect to feed grains, if applied to manufacturing milk, would result in a continuously lower price-support level?

Mr. PROXMIRE. Exactly.

Mr. HUMPHREY. Is the reasoning of the Senator to the effect that by taking the average market price for the most recent 3 years, and applying 10 percent less than that as a support level, such will be the result?

Mr. PROXMIRE. The Senator is correct.

Mr. HUMPHREY. At the end of the 3-year period that would become the permanent formula; is that correct?

Mr. PROXMIRE. That is my understanding.

Mr. HUMPHREY. The bill does not provide for a 3-year temporary program?

Mr. PROXMIRE. The Senator is correct.

Mr. HUMPHREY. The bill provides that at the end of the 3-year period it shall become a permanent program?

Mr. PROXMIRE. The Senator is correct.

Mr. HUMPHREY. So that we have a constant effect of the low market price being shaved another 10 percent.

Mr. PROXMIRE. Every year.

Mr. HUMPHREY. Every time the price supports are announced.

Mr. PROXMIRE. That is correct.

Mr. HUMPHREY. This is what may be called a sort of planned emaciation. This is an economic diet, an economic reduction for farmers. The farmers do not have to go to any reducing parlors to get flesh rubbed off; they do not have to take pills; all the farmers have to do is have the flesh sliced off. Their economic flesh is being sliced off.

Mr. PROXMIRE. It is being amputated.

Mr. HUMPHREY. No matter how thin the farmers get, another 10 percent will be taken off what is left. Finally the farm economy will be so slim that if it stands sideways it will be marked absent.

Mr. PROXMIRE. Mr. President, the price that could be obtained for the small export surplus of American-produced milk products would set the price for all milk in the United States, if the principles provided in this bill were applied to milk. The price received by farmers for all milk at wholesale has already declined disastrously under this administration's policy, of weakening the bargaining strength of farmers. The average in the years 1947-49 was \$4.42 per hundred pounds. By June 1958, it had slumped to only \$3.70. Under the principles of this bill, the average price of all milk at wholesale might well drop to no more than \$1.75 or \$2 per hundred. As each successive year's lower market prices were cranked into the moving average base and the support level was reduced therefrom by 10 percent, the



support level and domestic market price of United States produced milk would move downward toward the European price minus freight charges across the Atlantic.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I urge the Senator to take his time in stating these economic facts. These facts are simply not known. There are not a handful of people in the country who realize what is involved in the principles which are in the bill in terms of depressing market prices. We have plenty of time.

I say very candidly that I think the people of Wisconsin ought to know what the Senator from Wisconsin is saying. This is a very documented, constructive message. It demonstrates great thought and application to the facts. I am hopeful the message will go to every milk producer in the State of Wisconsin and every milk producer throughout the Nation.

I say to the Senator, although at this hour most of the farmers have had to go to bed, so that they can get up tomorrow morning to undertake their duties as dairy farmers, the Senator should take his time in presenting his facts.

The farmers nowadays have to work a little longer. They get an average now of about 45 cents an hour for their wages.

Mr. PROXMIRE. The Senator is exactly correct with respect to Wisconsin, according to the figures of the Department of Agriculture.

Mr. HUMPHREY. That is correct. The farmers have to get up bright and early, Mr. President, in order to make a living. I am hopeful that tomorrow, however, the Senator from Wisconsin will at least review the parts of his splendid statement which cite the economic philosophy of the bill as to feed grains, which, if applied to dairying, will mean that cows will be exhibited in the Smithsonian Institution, as the last of a famous breed.

Farmers cannot afford to carry on dairy production under the kind of scale—not a sliding scale, but a collapsible scale—which the Senator is describing.

Mr. PROXMIRE. Collapsible and collapsing.

Producers of milk under Federal milk marketing orders would not be exempt from the disastrous effects if the principles embodied in this bill are established in our national farm policy.

Make no mistake about it, the philosophy that is represented in this program of reducing price supports by 10 percent a year below the previous 3-year average price is fully intended to be applied to Federal milk orders as well as to other commodities. The former Assistant Secretary of Agriculture, Mr. Earl Butz, was and continues to be a most articulate spokesman of the theory and philosophy of the Department of Agriculture. Last year, Mr. Butz gave notice to a dairy organization in Michigan that the official policy is that milk-marketing orders must not be regarded as "price-support-

ing devices." Mr. President, dairy producers in the fluid-milk markets should be warned—and I hereby give them warning by repeating the warning they should have heard 1 year ago from the Department of Agriculture itself—that the Federal milk orders will not be permitted to give support to the producers' bargaining power if the ruling philosophy in the Department of Agriculture has its way.

I think our good friends, Senators from other States—because virtually every State is a dairy producer to some extent—from States which do not produce so much of their milk for the manufacturing market as do Minnesota and Wisconsin, should awaken to this fact. This applies not only to dairy producers in Wisconsin and Minnesota, but in Michigan, Vermont, New York, Virginia, and Florida. One of the big reasons—in fact, the overwhelming reason—why dairy farmers have had more adequate incomes is that milk orders have been effective. Here is an expression of the Department of Agriculture to the effect that it intends to eliminate that protection.

If the principles of this bill are applied to the price criteria for fluid milk in the Agricultural Marketing Act of 1937, the effectiveness of the Federal milk-marketing orders in providing bargaining power to farmers will be completely destroyed.

Every year, each of the Federal milk-marketing orders would have to be reconsidered as to price for class I milk. If a surplus of milk were available in the district to fill class I needs, the price of class I milk would be reduced to 90 percent of the previous 3 years' price. Each year, this 10-percent reduction would take place, until the price of class I milk would be lowered to the prevailing level of prices for manufacturing milk. True, the proponents of the bill will say that it does not apply to Federal milk orders but once this policy of eliminating the producer's bargaining power in the pricing of farm commodities is embodied in the law for such politically and economically important commodities as corn, cotton, and rice, it will certainly be applied eventually also to milk. Let us be realistic as we look down the road which the proponents of the bill beckon us to enter.

Mr. President, the principle embodied in this bill is a dangerous threat to the present tobacco price-support program. Tobacco producers in Wisconsin benefit greatly from the present tobacco program which provides firm 90 percent of parity price supports through effective marketing quotas. I must warn the tobacco producers in my State, and those of my colleagues in the Senate from tobacco-producing areas, that a triumph for the principles of this bill in respect to cotton, corn, rice, and feed grains, will certainly raise the question whether the same program should not be applied to tobacco. I have not heard of a single tobacco grower in my State who wishes to give up tobacco's status as a basic commodity, and the present effective program of price protection through supply adjustment. Application of the

principles of this bill to tobacco would abandon the basic parity concepts of the tobacco program just as surely as the language now removes corn.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. I think the Senator should forewarn his constituents, as he is doing here—and he can do it in specific terms and with a degree of assurance, even though it is a sad assurance—that one of the Assistant Secretaries of Agriculture has already said that as soon as this program is over, the next step is to take care of tobacco and wheat. The Senator does not need to have any doubts about it. One thing we can say about the Department of Agriculture is that it likes to give equality of mistreatment to all. I have reason to feel that the Assistant Secretary meant every word he said. We can rest assured that the commitment which was made recently, that the program would be extended to other crops—and tobacco and wheat are mentioned—will be carried out. So the Senator should prepare his constituents for the information.

There is one way this program can be stopped. We shall have a little rendezvous with the ballot box this fall. The ballot box in our part of the country, and in other parts of the country, may have a great deal to do with determining the kind of policies to be enacted into law by the Congress of the United States.

Mr. PROXMIRE. I remind the distinguished Senator from Minnesota that this is a Democratic Congress. That means that the pending bill is extremely important to Democrats and Democratic candidates all over America.

The distinguished Senator from Minnesota says that tobacco and wheat are to be next. I say to my dairy farmers in Wisconsin, If that be so, can dairy products be far behind?

I am reliably informed that, in all probability, elimination of effective marketing quotas and application of the principle of reducing price protection levels by 10 percent per year below recent average prices for tobacco, would in very few years bring a reduction in tobacco supports by as much as 75 percent. The price received by United States tobacco producers would, in all probability, decline ultimately—this is again the objective, the end of the line—to the Rhodesian export price, minus freight charges across the Atlantic Ocean. As in the case of milk products, the exportable surplus of American production, at whatever it could be sold for in Europe minus freight, would set the price for all United States tobacco.

To my colleagues from tobacco-growing areas I say: Stop, look, and listen before we embark upon a course which, by every rule of logic, is likely to sweep up the tobacco program in a general movement toward the total abandonment of family farmers to the mercies of a marketing system in which they can exercise no bargaining power on their own behalf.



Mr. President, I have asked the Library of Congress to prepare for me an estimate of the probable effect upon the prices of feed grains, livestock, and livestock products of the abandonment of farm price support programs. Make no mistake about it—this is the door through which this bill, in its present form, would lead us.

Yesterday I received a report on this study by Dr. Walter W. Wilcox, senior specialist in agriculture of the legislative reference service of the Library of Congress. Dr. Wilcox is a nationally-known authority on agricultural economics. Incidentally, he came to the Library of Congress staff from the University of Wisconsin, where he made an exceptionally distinguished record. He is widely acknowledged as one of the foremost authorities on agricultural economics in the country.

Dr. Wilcox' study bears out what I have said about the disastrous consequences that would follow from abandonment of farm price support programs—which is the plain and logical next step beyond the bill that is before us.

Mr. President, Dr. Wilcox' analysis is so extremely impressive, its conclusions are so extremely shocking, that I wish to read it so that every Senator can consider fully the grave consequences that will logically follow from adoption of this bill in its present form.

Dr. Wilcox says:

Only 14 percent of the corn in the commercial corn area and 11 percent of the total corn crop in 1957 was grown by farmers complying with corn acreage allotments. The percentage of compliance is not expected to be much different in 1958. For this reason existing corn acreage allotment and price support legislation is having very little effect on supplies and prices of feed grains.

Farmers placed 6.6 million acres of corn land and 5.3 million acres of wheat land in the acreage reserve program in 1958, however, a program which will not be continued after this year.

Most of this reserve acreage will be utilized to produce feed grains in future years. Hence, we may expect corn and total feed grain production in 1959 and later years to increase unless some new feed grain program is adopted.

Perhaps the most dramatic way to illustrate the probable price and income consequences of these expected developments is to cite two current relationships.

First, technicians in the Department of Agriculture estimate that if farmers had expanded hog production sufficiently last fall and this spring to utilize the 400 to 500 million bushels of 1957 corn, or its equivalent in other feed grains, which will be added to carryover stocks this fall, hog prices would be about half the current levels this summer and fall.

Second, at the end of this crop marketing year, October 1, we will have feed grain stocks equivalent to two-thirds of a normal corn crop; sufficient to feed all the hogs produced in 1959, and to feed all the dairy cows, horses and sheep in the United States for a full year without drawing on the crop now growing in the fields.

Fall farrowings of pigs are expected to expand 14 percent this year over 1957 with further increases in farrowings next spring. Without some type of program to restrict the supplies of feed grains and hogs moving to commercial markets in the fall of 1959

and subsequent years, sharp price declines are almost certain.

Superabundant and low-priced feed grains lead to the expansion of all types of livestock production which utilize them. Producers of turkeys, broilers, milk, lambs, beef cattle, and hogs finding abundant supplies of cheap feed grains available have an incentive to expand their operations.

That is the point the distinguished Senator from Minnesota has been making.

Only in the case of hog producers, however, is the supply and price of feed grains the dominant economic force in determining production plans.

Turkey, broiler, and egg producers adjust their operations from season to season and year to year, based on the prices they received in the recent past. The cost of feed is only one of the important costs for these producers. Dairymen also make only limited changes in their production plans in response to changes in the price of feed grains.

Hog producers and beef cattle feeders are more sensitive to feed grain prices than poultrymen and dairymen and may be expected to expand their operations most as a result of the large supplies of cheap feed grains. In fact, because of the modest adjustments of poultrymen and dairymen, a 10-percent increase in feed grain supplies usually leads to more than a 10-percent increase in hog production and in grain fed to beef cattle.

Unless an effective feed grain price support and production control program is adopted, feed grain prices will quickly drop to 50 to 60 percent of parity with hog prices dropping to equally low levels within a year or two. Supplies and other livestock products will not expand as rapidly as hog production, and prices will not fall as drastically, but the burdensome feed grain supplies will tend to expand the production of all livestock products and push prices lower than in recent years.

WALTER W. WILCOX,  
Senior Specialist in Agriculture.

I desire to reemphasize the major point which Dr. Wilcox's analysis makes:

If last year's crop of corn and other feed grains had been converted into livestock in the normal relationship, hog prices this fall would be in the neighborhood of \$10 or \$11 per hundred pounds.

Mr. President, economic disaster for the livestock industry is locked up in the grain bins of America—right now. Only because 400 to 500 million bushels more than normal of last year's corn and other feed grains was kept in storage, instead of being converted into hogs, fat cattle, chickens, turkeys, lamb, and dairy products, was it possible to avoid this impending economic disaster in this year.

But the impending collapse of the livestock economy has not been escaped—it has only been postponed. The 400 or 500 million bushels of 1957 corn that was stored instead of being fed is still with us. Eventually, it must be sold—and it must be sold on the hoof. And in any year that this quantity of feed-converted-into-livestock hits the market, in addition to a normal year's demands, we can expect hog prices as low as 50 percent of parity.

But even this is not the full picture of the calamity that is hanging over the heads of livestock producers. For this year again there will be a record or

near-record feed crop. There will be another 400 to 500 million bushels of feed produced above what the year's markets can absorb in the form of livestock products at reasonable prices, added to the surplus carried over from last year.

And next year, if the provisions of this bill go into effect, without correcting amendments to greatly strengthen our feed grain programs, the consequences almost defy comprehension.

There will still remain 400 to 500 million bushels of 1957 feed grain, unless it has already started to market on the hoof, to the accompaniment of depression-level prices for livestock.

There will be another 400 to 500 million bushels of 1958 feed grain hanging over the market, unless that too is marching to market on the hoof, to the tune of depression-level prices.

Next year there will be another huge normal crop in the fields of comparable magnitude, plus the yield from 12 million acres of wheat and corn land which has been kept out of production in the acreage reserve of the Soil Bank during 1958 and 1957.

Mr. President, the handwriting is on the wall for all to see.

The pending bill in no way responds to the desperate emergency that confronts the entire livestock industry. On the contrary, it would add impetus to the collapse that is ahead.

Mr. President, at this point I should like to suggest that we consider the gross injustice of a 10 percent cut every year. Let us suppose that it should be applied to the labor laws which have been passed. Let us suppose that a Senator should introduce a bill proposing that the minimum wage be reduced every year by 10 percent of the preceding 3-year average, or something of that kind. The injustice of such a proposal would be perceived immediately. I am sure it would never be suggested, because, contrary to what has been happening to the farm population, the working population of the country has increased, and their political power has increased accordingly.

Suppose a 10-percent cut per year were applied by every public utility commission in America. Suppose that they adopted the policy of reducing their rates by 10 percent a year. Suppose that policy were applied to the price of steel. Suppose it were applied nationally.

The cries which would arise from those who were affected would be immense and loud indeed. Congress would not stand for that kind of proposal. The fact is that only a farmer is expected to operate today under the unseen hand of Adam Smith. Adam Smith was a great economist, who contributed to a greater understanding of economics. However, Adam Smith lived a long, long time ago. There has been a great advance in economic science since the days of Adam Smith.

It has been discovered, on the basis of careful observation of economic behavior, that it is only the farmer who has no control over his production. Only the



farmer is expected to operate as one of many, and only the farmer has a combination of a homogeneous product, and a vast number of competitors who sell the homogeneous product and are in competition with him. He does not have any control, not even the slightest degree of control, over prices. The merchant who sells a brand of toothpaste has some control over prices. He may be a small-business man, and he may not have much control, but he has some control.

A labor union exercises a considerable degree of control, thank heaven, over the price at which a labor union member sells his labor. Certainly in the large industries throughout the country a firm hand is kept on prices. That is true of steel companies and automobile companies and other industries.

Only the farmer is expected to have no control at all. The only control he has had in recent years has been through the parity concept and through the kind of farm programs which have been adopted. If the pending bill should be passed, he would lose a very large share of that control.

Mr. President, I realize we are considering this bill in the shadow of the President's veto of the Agricultural Act of 1956, and in the more recent shadow of the veto of the price-support and acreage-allotment bill freeze resolution adopted earlier this year. I realize also that we are working right now under a threat of another veto by the President if we should enact legislation that will strengthen rather than weaken the existing protections afforded to farm families.

But the threat of a defeat by veto, Mr. President, does not justify surrender. It does not justify a retreat from the ground we now hold. The bill we are now considering is not merely a change in emphasis, not merely an adjustment of support levels and acreage allotments. This bill, if we accept it, would start us down an entirely different road, toward the complete reversal of the basic fundamental concepts of the farm program as it has operated over the past 30 years.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. I compliment the Senator on his splendid message and his grasp of the economic factors involved in our great agricultural economy. The Senator from Wisconsin is a keen student of economics. He is a sensitive observer of the developments in his own State and, indeed, throughout the Nation and the world.

I ask the Senator if it is not true that we have seen, since 1952, a constant whittling away at the basic farm policies which had stood us so well during the preceding years?

Mr. PROXMIRE. There can be no question about that. There has been a constant whittling away, which has certainly not benefited the consumer; heaven knows, it has not benefited the taxpayer; and it has been disastrous for the farmer.

Mr. HUMPHREY. The Senator recalls, I think, that in 1952, in Minnesota as in other States, the present incumbent

of the White House, who was then a candidate, assured the producers that they could look forward to 100 percent of parity in the market place, and at least 90 percent of parity price supports upon the basic commodities. Does the Senator recall that?

Mr. PROXMIRE. I remember that very well. I remember what Mr. Eisenhower said at Kasson, Minn., and at Brookings, S. Dak. He pledged 90 percent. He said the Republican Party guaranteed a 90-percent price support. It was a solemn promise.

Mr. HUMPHREY. Our experience under it is now recorded in one of the chapters of American political history—a rather tragic and sad chapter, but at least we have gone through that experience.

The Senator may recall that in 1954 the administration came before Congress and asked for the flexible price support program of 75 to 90 percent.

The theory was that as the farmers accumulated, through excess production, surplus agriculture commodities, the price supports would drop and thereby remove the incentive for production which, according to the logic of the Department of Agriculture and this administration, would have a tendency to reduce production which, in turn, once production was reduced, bringing supply into closer relationship with demand, would result in a rise in the market price. Does the Senator recall that?

Mr. PROXMIRE. I recall that so well.

Mr. HUMPHREY. It is a matter of recorded testimony. The Senator may recall that in 1956 Congress passed a basically good act, indeed we passed two of them, and both of them were vetoed, and also we adopted Senate Resolution 152 this year, which also was vetoed. A major accomplishment of the present administration in agriculture is the excessive use of the veto. There is only one other place where the veto is used more often. That is in the Security Council, and by the Soviet Union.

The Senator may recall that after 1956 the administration started to complain that when the supplies were leveled off, due to many factors, such as drought, pestilence, acreage reserves, tremendous expenditures for cutting back production, and so forth—when the supply was lowered a bit, then the Secretary said, "Now, see what has happened to us. The market price is going up." There were cries of anguish heard throughout the land.

The Secretary said, "See what is being done to us. Prices are beginning to go up. That means, of course, that the supply of some of the commodities is a little less than it has been. If the supply continues at this level, it will mean that we will have to raise the price supports."

So after the program had worked a little bit, not due to the administration, but due to acts of nature—there were floods, droughts, and an instance of pestilence—there was a cutback in the supplies of some commodities.

There was a great export program under Public Law 480 for cotton and

wheat. When some of those programs began to show a little effect, the Secretary of Agriculture came charging down to Congress on his pure white steed and said, "Gentlemen, you do not know what is happening. I have a serious complaint to make. Prices are beginning to go up. We have simply got to whittle down the price support program."

That is exactly what has been happening. I hope the American farmer understands it, because it has not happened by accident. Oh, no. I compliment the administration. They know how to plan for lower agricultural prices. There is no doubt about that. They have had a design, and the design has been to weaken production controls, to weaken price supports, and to get what they call a free market. They are coming very close to it. Now they are driving hard. They are tasting a little blood.

The Secretary's program has taken effect. I am told he is more popular in some areas. I think that may be true. Popularity seems to go up or down according to the economic indexes. But, be that as it may, popular or not, the handwriting is on the wall. One does not have to be an Old Testament prophet to predict it. One does not have to be a David or a son of David; or an Isaiah or an Ezekiel. He can simply be a United States Senator, an average, lay person. He can predict what will happen.

What is happening is that the Department has now set a formula which has within it all the symbols, all the words which people were accustomed to hearing about farm price supports, such as the average price over 3 years—90 percent of the average price.

I recall when "90 percent" was almost a dirty word in the Senate. The administration almost laid down a moral edict and said that all those who said "90 percent" would have their mouths washed out for evil pronouncements. Now we have 90 percent. Does the Senator see how that rings bells?

There was an old Russian scientist by the name of Pavlov. Pavlov found that one could get conditioned reflexes. He did this with dogs. He had a dog go to get a piece of meat. Every time the dog would get the piece of meat, Pavlov would ring a bell. When the dog saw the meat, the dog would salivate. The saliva would come to his mouth. When the dog heard the bell, he knew it was time to go get the meat. After Pavlov had conditioned the dog long enough, he did not have to put the meat out any more; he simply rang the bell, and the dog would start to drool, but there was no meat.

The American people now know that 90 percent of parity is reasonably fair. It is 10 percent less than fair. Do not misunderstand me. It is reasonably fair. The very phrase "90 percent" in the field of agricultural economics has signified to the American farm producer that this is a reasonably fair percentage for one to consider.

Now we have it fixed up. The Department uses the same words, "90 percent," but it is 90 percent of the average market price for 3 years—the preceding 3 years—which under the formula of the



administration is always a decreasing price.

I call the attention of the Senator to our minority views, to which the Senator from Wisconsin contributed so much, and which, together with the junior Senator from Missouri, I also signed. They point out—and these are from the Department of Agriculture statistics—that the total carryover of feed grains at the end of the 1957-58 marketing year will be 62 million tons, almost double the 1952-56 average.

I regret that we did not go back before 1952, because it is over 300 percent greater prior to 1952.

This administration has really had a farm program which has filled the grain bins.

Mark you, Mr. President, the administration has been telling the American people through the columns of the Reader's Digest, the Saturday Evening Post, and the daily newspapers—through every conceivable medium—that their program would save the taxpayer money. I charge that the taxpayer has had the greatest roller-coaster ride he has ever had in his life; the most expensive farm program the Nation has ever known.

This administration has spent 600 percent more money on agriculture in a year than the preceding administration spent in any single year—six times as much this year. How many of our citizens know that? The administration has spent \$6 billion in 1 year. It results in more trouble.

Last year the administration spent \$5 billion. That man Harry Truman, who was assailed day after day in this Chamber, and that man Charles Brannan, a former Secretary of Agriculture, who was called every name in the book—Harry Truman, Charlie Brannan, and all the New Deal and Fair Deal planners put together could not figure out how to spend more than a billion dollars.

But another crowd came into power. They are used to living on caviar. They like expensive living—vicunas and all. They have spent \$6 billion in 1 year. What have they got for it? They have 300 percent more feed grain stored up than ever before. They have twice as much as we had as the average in the years 1952-56.

Comparing 1952 with 1957, the prices of feed grains declined 29 percent. Is not that interesting? This administration says that if the prices are cut down a little bit, dear fellow citizens, if they are leveled off a little, it means that the farmers will not produce so much. There will not be so much incentive to get prices down.

The whole philosophy of the administration is a depressed-price philosophy. The lower the prices, the more production. The lower the prices, the more unsatisfactory the business. The more stored grain, the lower the prices, the fewer the farmers. What a system. If we stayed up all night and locked ourselves in a madhouse, we could not come up with a worse system.

Mr. PROXMIRE. The Senator is so right. The lower the price, the greater the production. Why? We only have to talk to a dairy farmer; he will tell us

why. The fact is that when the price of milk drops, the dairy farmer, who has fixed costs which he has to meet, has, somehow or other, to get enough money to be able to buy the bare necessities of life for his family. In those circumstances, can he produce less milk, and get along on even less income? Of course not. Instead, he is forced to get the last drop of milk he can from his cows, and he is forced to increase the size of his herds or to use feed concentrates or to do anything else he can to increase his production of milk.

Of course, the farm income protection programs that have been in effect have not been uniform or fully adequate. Yet, in a very fundamental way, they have been based upon several sound, workable concepts.

The farm-income and price-support programs have been based upon the concept of parity. Let me read it from the Agricultural Adjustment Act of 1938, as amended:

It is hereby declared to be the policy of Congress to (develop various programs for) assisting farmers to obtain, insofar as practicable, parity prices for such commodities and parity of income.

As defined in section 301 (a) (2) of that act, "parity as applied to income" is described as follows:

Shall be that gross income from agriculture which will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful employment.

Mr. HUMPHREY. Mr. President, will the Senator from Wisconsin read that again? I hope he will read it again, because it is basic scripture. It is the American dream, the American pledge, the American promise; and I want the occupants of the gallery and those who read the CONGRESSIONAL RECORD to know what the Congress is contemplating doing.

The Congress is contemplating making a pledge that promises nothing more or less than that the principle of equal treatment is to be scuttled. In this case, it is proposed that Congress base its pledge on 90 percent of the prices for the last 3 years, which, comparatively, were the worst 3 years agriculture has had.

Of course, it is interesting to note that not even a 5-year average is proposed to be used for agriculture.

On the other hand, when industry wishes to arrive at an index, it bases it on 10 years; and for income-tax purposes, in connection with figuring the "ins" and the "outs" in the case of corporate losses, a period of 5 years is used.

But in this case there are some who say, "After all, do not give the farmers so much." I have heard some persons around Washington say, "Well, today there are fewer farmers, so we do not have to worry about them so much, any more."

So, in the case of the farmers, the prices for the last 3 years are proposed to be used. But the last 3 years were the worst years. Nevertheless, now it is proposed that the farmers receive 90 percent of the prices they received during the roughest time they have ever had;

and it is said that that will constitute justice.

Mr. President, I believe that should almost be a subject of conversation at the next meeting of the United Nations Security Council. I think Khrushchev would understand that kind of assistance.

Mr. PROXMIRE. Mr. President, in response to the request of the Senator from Minnesota, I shall read that portion of the act again, because this is the scripture that will be provided by the pending bill:

As defined in section 301 (a) (2) of that act, parity as applied to income is described as follows—

shall be that gross income from agriculture which will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful employment.

Mr. President, in all the farm-income legislation enacted since 1938, provisions for price support and for use of marketing agreements and orders are based on this concept of parity farm prices and incomes. The pending bill does not repeal that legislation in so many words. Instead, the bill in effect repeals the parity concept in farm programs, by setting up an entirely new standard in its place.

The new standard proposed by the bill is far from the parity concept. It is about as far from the parity concept as one could go. The price-support standard proposed by the bill for farm programs is, by definition, 10 percent below the previous market price.

What is the point in having supports that do not support? Why must Congress make a mockery of our farm programs? It would be more accurate and more candid to tell farmers frankly that the intention is to strip away the effective programs which have given them some bargaining power in the past 30 years, and to return them to the same economic helplessness that destroyed hundreds of thousands of farm families during the 1920's and the early 1930's.

Mr. President, for many farmers the 1920's and early 1930's were what the 1880's and 1890's were for the laboring people. Some of the laboring people can recall—and others, who are not old enough to recall, can read about those matters in the history books—the 12-hour day, the wages of 10 cents an hour, and the other terrible conditions which existed before the unions became effective and before there were anything like minimum wages or maximum hours or a beginning on the long trail up the hill.

But the program proposed by means of the pending bill would force the farmers and their families to return to the economic helplessness that resulted in the tragic conditions for such great numbers of farm families in the 1920's and early 1930's. This is why the fight which those of us who oppose the pending bill are making is so crucial and critical, insofar as the farm families of America are concerned.

Mr. President, at this time I shall impose on the Senate long enough to read something which I believe it essential for



the Senate to have in mind. I realize that it will be an imposition; but the book from which I shall read is one of the finest books on economics written in the last century. It has been written by a Harvard economist, John Kenneth Galbraith. I shall read from the book because an understanding of his concept of security is absolutely essential to an appreciation and understanding of the entire principle embodied in the pending bill.

Professor Galbraith points out that security is something all of us strive with all our might to get for ourselves and for the economic group in which we are involved; but that when others are involved, we regard security as socialism.

In his book, he points out the following:

The massive reduction in risk that is inherent in the development of the modern corporation has been far from fully appreciated. This is partly because the corporation, unlike the worker, farmer, or other individual citizen, has been able to reduce its insecurity without overtly seeking the assistance of government. It has required elaborate organization, but this has been the product of continuous evolution from the original entrepreneurial enterprise. Farmers, workers, and other citizens, by contrast, have had to seek the assistance of government or (as in the case of the unions) they have had to organize specially for the purpose of reducing insecurity. Consequently their search for greater security has been notorious. By contrast the corporate executive, whose concern pioneered the escape from insecurity, has been able to suppose that security is something with which only workers or farmers are preoccupied.

Myth has also played a part in concealing the effort of the modern corporation to minimize insecurity. There is a remarkable conviction, even on the part of the executives of the largest business corporations, that they live dangerously. As this is written—

And it was written only this year—

no large United States corporation, which is also large in its industry, has failed or been seriously in danger of insolvency in many years. The security of tenure of corporation executives is remarkably high. So is their remuneration. Certainly these bear no resemblance to the insecurity of the fortunes of the business entrepreneur of the competitive model. Individual decisions of corporate management may still turn out to have been wrong. But in the large, diversified corporation, in contrast with the small and more specialized firm, such decisions are rarely fatal.

The riskiness of modern corporate life is in fact the harmless conceit of the modern corporate executive, and it is vigorously proclaimed. Precisely because he lives an orderly and careful life the executive is moved to identify himself with the dashing entrepreneur of economic literature. For much the same reason, the commander of an armored division, traveling in a trailer and concerning himself with gasoline supplies, sees himself as leading an oldtime cavalry charge. Nothing has been more central to the purpose of General Motors or General Electric than to encompass and eliminate the perils to which the one-time entrepreneur was presumed to be subject. Nothing would be more damaging to an executive reputation in General Motors or General Electric than to launch a product without testing the market, to be caught napping by a technological development, to be unprotected on one's raw material supply or to be caught in a foolish price

war. These were once the commonplace risks of entrepreneurship.

But the large corporation has been only the leader in the retreat from risk. Nearly everyone else has participated to the best of his ability and ingenuity, and in the thirties there was an especially widespread effort to mitigate the economic perils of the average man.

That is why we are talking about in this case.

I read further from Professor Galbraith's book:

The Federal Government intervened for the first time with relief and welfare funds to protect the individual from economic misfortune.

This was followed by social security—unemployment insurance and old age and survivor's pensions. Farmers, through public payments and support prices, were protected from some of the insecurity associated with competitive market prices. The unions developed rapidly during this decade. Along with their redress of bargaining power, they provided the worker with protection against capricious or adventitious firing or demotion and thus increased his security in his job.

A little later:

But the effective mitigation of insecurity required another and parallel effort of a far more general sort. The position of the worker who is protected against arbitrary firing by a sound seniority system is far from ideal if he receives an entirely nondiscriminatory discharge as the result of an insufficiency of demand for the product he is making. This is especially so if a general shortage of demand keeps him from finding a job elsewhere. While unemployment compensation is better than nothing, a job is better than either. Even with an effective enforcement of the laws preventing price discrimination—roughly the use by a large firm of its size to exact and offer prices which small competitors cannot obtain or quote—the competitive position of the small retailer in a time of depression is not happy. Regardless of the conditions of competition, it is much better when the demand for everyone's product is good. Farm-support prices are a useful protection against sudden adverse price movements. But a demand for farm products that holds such prices reliably above support levels will be preferred by every rational farmer.

At a time, as during the thirties, when there was great interest in the microeconomic measures to increase security, it would have been surprising indeed had there been no macroeconomic effort with its greater efficiency to the same end. The two efforts would be in the highest degree complementary. In fact, the reduction of insecurity by macroeconomic measures was central in the economic policy of the time. Efforts to eliminate or mitigate the business cycle and to stabilize the economy at a level where the labor force would be more or less fully employed were a principal goal of public policy.

Then, as since, economic stabilization was regarded as an end in itself, but it will now be clear that it was only one part of the broad effort to escape the insecurity which was assumed to be inherent in economic life. The change in attitudes on macroeconomic security during the thirties was remarkable. At the beginning of the decade it was almost uniformly assumed that cyclical fluctuations with accompanying price and employment uncertainties were inevitable. It was hoped by many that they would not be violent. But there was no general confidence that depressions could be tempered by Government action without the risk either of eliminating the self-corrective features of the cycle or simply making things worse. By the end of the decade, under the combined influence of Keynes and the san-

guine and experimental mood generated by the New Deal, there was a widespread belief that depressions could be at least partially prevented. The notion that they must be allowed to run their course was virtually extinct. These measures to enhance security in the thirties, the microeconomic and the macroeconomic together, were numerous and massive in their effect, and they were concentrated in the brief span of a few years.

I may say one of them is the very thing we are discussing now. One was the farm bill, the parity bill, which cropped up in our economy.

(While it is convenient to speak of a decade, most of the drive for increased economic security occurred in the 5 years from 1933 to 1938.) Conservatives and liberals alike looked at the measures, and at the mass approval they evoked, and concluded that something new and different had been added in economic motivation.

In the thirties the average man was simply showing the commonplace reaction to the insecurity of the competitive system. In doing so he was following a path that had been pioneered by the modern business firm. He was showing, as ever, that insecurity is something that is cherished only for others.

It was inevitable that farmers and workers in general would be the last to concern themselves with security. Before a man will try to protect himself from sudden changes in his economic fortune, he must have some fortune to protect. Businessmen were first to develop a stake in economic society. They were first, as a result, to become concerned with means, explicit or unrecognized, for safeguarding that stake. In the grim world of Ricardo and Malthus the ordinary citizen could have no interest in social security in the modern sense. If a man's wage is barely sufficient for existence, he does not worry much about the greater suffering of unemployment. Life is a heavy burden in either case. Men who are engaged in a daily struggle for survival do not think of old age, for they do not expect to see it. When the normal expectation of life is very low, sickness and death are normal hazards. A man of 80 does not take out life insurance. He reconciles himself as best he can to the prospect of death. To the landless worker in an Indian village, one of the world's most unfortunate individuals, unemployment is not even a misfortune. It is his normal fortune.

With increasing well-being all people become aware, sooner or later, that they have something to protect. In the very early stages of the evolution of a business concern, the entrepreneur is not much concerned with security. He has little equity to conserve. Only later do he or his descendants begin to talk about their responsibilities to their stockholders. Henry Ford could gamble on the untested idea of producing in a single model the cheapest possible car for the people. It was a breathtaking step. His colleagues discouraged him, but he had nothing much to lose. His grandsons would indeed be derelict were they similarly to risk the present assets of the Ford Motor Co. No criticism attaches to the effort of the modern corporation to minimize risk. It would be delinquent in its responsibilities if it failed to do so. It would be gambling where it could be sure.

The development in the labor market is similar. As the real wage of the worker increases and also as employment becomes more certain, unemployment and the absence of income acquires its contrasting horror. With increasing income it also becomes possible to think of old age: the individual expects to survive, and old age without income is differentiated, as it was not before, by the prospect of discomfort. And as health and physical hazard decline, men come to



think of them as abnormal rather than normal afflictions. It is not the poor but the well-to-do farmers who find onerous the uncertainties of the market. In the mountain country of Kentucky and Tennessee a depression is not a grievous hazard. Farmers have little to sell; their property has small value. They are therefore little affected by declining prices and not much concerned about declining property values. In the well-to-do regions things are different. In the 1930's it was the comparatively rich farmers of Iowa who threatened the judges who presided over foreclosure proceedings. From these farms came the demands for farm relief. Unlike those of the Appalachian plateau, these farmers had something to lose.

Thus the notion, so sanctified by the conventional wisdom, that the modern concern for security is the reaction to the peculiar hazards of modern economic life could scarcely be more in error. Rather it is the result of improving fortune—of moving from a world where people had little to one where they had much more to protect. In the first world misfortune and suffering were endemic and unavoidable. In the second they have become episodic and avoidable. And as they became episodic and avoidable, reasonable men saw the merit of measures to avoid them and the possibilities for so doing.

I have more pertinent quotations which directly and sincerely concern the bill, from which I should like to read; but the hour is very late and I understand there has been an agreement that the Senate should recess until tomorrow morning.

Mr. HUMPHREY. Earlier this evening I indicated to the Senator from Wisconsin that it was desired to recess at about 10:15 p. m. If it is satisfactory to the Senator, I should like to move that the Senate recess.

Mr. PROXMIRE. Before the Senator so moves, I simply should like to say first, that I thank the distinguished Senator from Minnesota for his very, very great help in the colloquy. I appreciate the expert way in which he has brought out the important points of my presentation. I should like to thank the present Presiding Officer, the Senator from North Carolina [Mr. JORDAN], his predecessor, the distinguished Senator from Georgia [Mr. TALMADGE], and my other colleagues and employees of the Senate who have been present. I deeply appreciate it, and apologize for keeping everyone here so long.

I should like to conclude, as I started, by saying that this bill is enormously important to me and to the people I, in part, represent. I feel I have a duty to do my level best to explain the bill in detail, to do my best to explain my reasons for opposing the bill, and to fight it, with all my heart.

Mr. HUMPHREY. Mr. President, I commend the Senator from Wisconsin for his fine presentation. No one questions the Senator's sincerity and dedication to the well-being of the people of his State and of the Nation. I am sure tomorrow we will hear a great deal of valuable information. I am happy we will be able to hear further from the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, before the Senate takes a recess, as a matter of convenience, since this will only take a minute or two, and I think it is extremely important, I have here an

amendment to provide for loans to farmer associations for the establishment of processing and marketing enterprises. This program would operate very similarly to the present Rural Electrification Administration program, which has been such a remarkable success in the field of rural electrification. I offer this amendment, and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. PROXMIRE. Mr. President, I offer another amendment which would provide for the distribution of additional food commodities in adequate supply through the school lunch program and directly to State and local welfare agencies. I ask that this amendment be printed and permitted to lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. PROXMIRE. Mr. President, I offer a third amendment which would provide for a national security and safety reserve of food, fiber, and biological oils. I request that this amendment be printed and permitted to lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. PROXMIRE. Finally, Mr. President, I offer an amendment which would provide for the expansion of farm exports, by authorizing the President to explore with other nations the possibility of establishing an International Food and Fiber Reserve Bank, and by authorizing the use of surplus farm commodities for financing capital improvements under the Public Law 480 program. I ask that the amendment be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

#### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 23, 1958, he presented to the President of the United States the following enrolled bills:

S. 1785. An act designating the reservoir located above Heart-Butte Dam in Grant County, N. Dak., as Lake Tschida, and for other purposes;

S. 1939. An act to amend the Federal Seed Act of August 9, 1939 (53 Stat. 1275), as amended;

S. 2266. An act to provide a method for regulating and fixing wage rates for employees of Portsmouth (N. H.) Naval Shipyard;

S. 3076. An act to amend section 12 of the act of May 29, 1884, relating to research on foot-and-mouth disease and other animal diseases;

S. 3437. An act authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Frances, Ontario, Canada;

S. 3478. An act to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus;

S. 3608. An act to revive and reenact the act authorizing the State Highway Commission of the State of Maine to construct,

maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada; and S. 3677. An act to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments.

#### RECESS TO 10:30 A. M. TOMORROW

Mr. HUMPHREY. Mr. President, pursuant to the order previously entered, I now move that the Senate stand in recess until 10:30 a. m. tomorrow.

The motion was agreed to; and (at 10 o'clock and 22 minutes p. m.) the Senate recessed, the recess being, under the order previously entered, until tomorrow, Thursday, July 24, 1958, at 10:30 o'clock a. m.

#### NOMINATIONS

Executive nominations received by the Senate July 23, 1958:

##### UNITED NATIONS

The following-named persons to be representatives of the United States of America to the 13th session of the General Assembly of the United Nations, to serve no longer than December 31, 1958:

Henry Cabot Lodge, of Massachusetts.  
Michael J. Mansfield, United States Senator from the State of Montana.  
Bourke B. Hickenlooper, United States Senator from the State of Iowa.  
Herman Phleger, of California.  
George McGregor Harrison, of Ohio.

The following-named persons to be alternate representatives of the United States of America to the 13th session of the General Assembly of the United Nations, to serve no longer than December 31, 1958:

James J. Wadsworth, of New York.  
Miss Marian Anderson, of Connecticut.  
Watson W. Wise, of Texas.  
Mrs. Oswald B. Lord, of New York.  
Irving Salomon, of California.

##### COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

##### To be ensign

Will Connell.  
Robert P. Michaud.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate July 23, 1958:

##### POSTMASTERS

##### ALABAMA

Oscar A. Lindbergh, Cottondale.  
Homer W. Hopwood, Sheffield.

##### ALASKA

John G. Williams, Sr., Yakutat.

##### ARIZONA

Ethel V. Rogers, McNeal.

##### ARKANSAS

Dan C. Griffin, Crawfordsville.

##### CALIFORNIA

Kerg B. Key, Alameda.  
John L. Cross, Healdsburg.  
William A. Thorne, Irvington.  
Howard Neubauer, Pacific Grove.  
Walter C. Whitman, Pittsburg.  
Ruth E. Christman, Robbins.  
Ulis C. Briggs, Ukiah.

##### COLORADO

Helen I. Horsman, Boone.



## CONNECTICUT

Arthur R. Cleary, Bethel.  
Leslie S. Mellinson, West Cornwall.

## FLORIDA

Howard B. Walker, Dinsmore.

## GEORGIA

William Leroy Hogue, Carrollton.  
Felton T. Cochran, Dallas.  
Leo J. Russell, Rome.

## HAWAII

Irene R. Afflerback, Spreckelsville.

## INDIANA

Hubert D. Moughler, Waterloo.

## IOWA

Lloyd M. Thoensen, Blue Grass.  
Donald C. Lelnen, Onslow.

## KANSAS

Chloe E. Huffman, Englewood.  
George Paul Gerardy, Hanover.  
Jack D. Warnock, Stafford.

## KENTUCKY

Minnie M. Staley, Lackey.

## LOUISIANA

Billy R. Johnson, Harrisonburg.  
Roberta G. Landry, Mathews.  
William A. Bulcao, Slidell.  
Alcus W. Magee, Varnado.  
Robert P. Kennedy, Zachary.

## MAINE

Chandler Bryant Palne, Bar Harbor.  
George M. Roberts, Bridgewater.  
Grace M. Sullivan, Oakfield.  
Raymond M. Flynn, Sanford.  
Donald L. LaPointe, Van Buren.

## MASSACHUSETTS

Edwin J. Culver, Dalton.  
Katherine C. Brown, Littleton Common.  
James H. Bradley, Woburn.

## MICHIGAN

William Z. Todd, Allen.  
Victor J. Haughey, Camden.  
Edward A. Bumhoffer, Elkton.  
James H. Dorsey, Emplre.  
Ivan M. Vernon, Flushing.  
James Evans, Mackinaw City.

Roby G. Brown, McMillan.  
Benjamin E. Voorhees, Jr., Midland.  
Roy J. Murray, Port Huron.  
Byard G. Raeburn, Sault Ste. Marie.  
Hazen J. Smith, South Lyon.  
Wayne R. Ignatz, White Pigeon.

## MINNESOTA

Edward J. Shega, Babbitt.  
Russell C. Rapp, Cleveland.  
Arthur Peter Helm, Excelsior.  
Cleve R. Austin, Minneapolis.

## MONTANA

Neal E. McCurdy, Broadus.

## NEBRASKA

James C. Dowding, Bellevue.  
Edward W. Divls, Brainard.  
Malcolm E. Jensen, Emerson.  
Albert W. Metcalf, Hyannis.  
Ruth E. Fouts, Maxwell.  
Anton Semrad, Prague.  
Clement J. Suchanek, St. Paul.

## NEW HAMPSHIRE

Clyde R. Seavey, Candia.

## NEW JERSEY

Margaret M. Powell, Crosswicks.  
Lawrence P. Ivins, Hightstown.  
Ellen E. Benson, Lawnside.  
Harvey F. Johnson, Monroeville.  
Lawrence H. Emmons, Sergeantsville.

## NEW YORK

Richard E. Braack, Almond.  
George J. Smith, Armonk.  
Arthur G. Wood, Ballston Spa.  
William Francis Dietz, Blauvelt.  
Peter S. Tosi, Boiceville.  
Nathan Cyrus Hamblin, Boonville.  
Harmon A. Parmele, East Bloomfield.  
Lois O. Fancher, Groveland.  
Paul Armstrong, Jr., Levittown.  
Howard N. Bishop, Little Valley.  
Grace E. Pfeiffer, Middle Island.  
Minor J. Leonard, Odessa.  
Alice B. Larsen, Peconic.  
Mildred A. Wolfe, Pike.  
Clarence B. Wilmot, Rushford.  
Edmund U. Burhans, Saugerties.  
William Metcalf, Sound Beach.  
Berta R. Fellows, South Salem.  
Ronald F. Morse, Windham.

## NORTH DAKOTA

Edward J. Ziman, Dodge.  
Andrew S. Persson, Edgeley.  
Frithjof J. Thorson, Park River.

## OHIO

Adeline E. St. John, Bristolville.  
Charles Terwilliger, Cozaddale.  
Blaine S. Way, Dexter City.  
Don D. Farquharson, Hoytville.

## OREGON

Robert E. Smith, North Powder.

## SOUTH CAROLINA

Urban B. Milhous, Jr., Denmark.  
Nenie White Ridiehoover, Plum Branch.

## SOUTH DAKOTA

George F. Mortimer, Belle Fourche.  
Maynard G. Hatch, McLaughlin.  
Helen Oivla Putnam, Quinn.

## TENNESSEE

James E. Vann, Flintville.  
Hardy W. Walker, Wildersville.

## TEXAS

Jacob Truett Welch, Royse City.

## UTAH

Roger A. Clark, Emery.  
Daniel Clair Whitesides, Layton.

## VERMONT

Harold B. Wright, White River Junction.

## VIRGINIA

Arthur P. McMullen, Hot Springs.  
Eimer H. Kirby, Stanleytown.

## WEST VIRGINIA

Victor G. Overbeck, Albright.  
Ruby N. McGlothlin, Berwind.  
Elmer R. Shafer, Caldwell.  
Dale Lilly Dempsey, Coal City.  
Lawrence L. Boyles, Mill Creek.  
Franklin N. Phares, Valley Bend.

## WISCONSIN

Ruth M. Bergstrom, Comstock.  
William J. Perlberg, Franksville.  
Seth E. Liebenstein, Grafton.  
Clarence L. Sutter, Kohler.  
Keith R. Gissal, Lannon.  
Mike Krultz, Jr., Neillsville.  
John A. Zervic, Pewaukee.  
George W. Schultz, Stoughton.







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 25, 1958  
For actions of July 24, 1958  
85th-2d, No. 125

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HIGHLIGHTS: Senate debated farm bill. Rep. Cannon criticized administration's farm program. Rep. Christopher urged REA be made independent agency. House rejected rule to consider bill to develop marketing facilities for perishable commodities.

## SENATE

1. FARM PROGRAM. Continued debate on S. 4071, the farm bill. pp. 13645-65, 13666-71, 13673-703, 13705-33

Agreed, 67 to 9, to an amendment by Sen. Young to extend the National Wool Act for 4 years, until March 31, 1963, and to authorize such additional appropriations as may be necessary for carrying out the wool program, provided no price support payments for wool (beginning with the 1959 marketing year) shall exceed 85 percent of parity if the Secretary determines that payments to producers would exceed 70 percent of gross receipts of the specific import duties on wool. p. 13731

Rejected an amendment by Sen. Bennett, as an amendment to the amendment by Sen. Young, which would have authorized the Secretary to enter into agreements with wool organizations for the purpose of developing and conducting advertising and sales promotion programs for wool, mohair, sheep, or goats or the products thereof. pp. 13655, 13726

Pending at adjournment was an amendment by Sen. Symington to provide that the level of price support for upland cotton may be not less than 65 percent of parity, if the Secretary determines under certain conditions that a lower level than



is provided under present law is desirable and proper, to provide that middling 1 inch and grade number 3, one and seven-sixteenths inches shall be the standard quality of upland and extra long staple cotton, respectively, for purposes of price support, and to strike out a provision of the bill providing that CCC shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 percent above the current support price for cotton plus reasonable carrying charges. pp. 13731-32

2. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 12738, the Defense Department appropriation bill for 1959 (S. Rept. 1937). pp. 13626, D730

Received (July 22) from the President various proposed supplemental items, including the following: (S. Doc. 110)

Authorization for use of the equivalent of \$5,100,000, in foreign currencies accruing under Public Law 480, for the following purposes: \$1,200,000 for translation of foreign publications, of which \$375,000 is to be available to the USDA Library; and \$3,900,000 for cooperative scientific research between the U. S. and other countries through ARS, AMS, and FS.

Appropriation of \$100,000 for immediate costs of the Outdoor Recreation Resources Review Commission, pending organization and staffing of the Commission.

Authorization for the Virgin Islands Corporation to borrow not over \$1,500,000 for construction of a water distillation plant.

Appropriation of \$215,000,000 for the business and disaster loan programs of the Small Business Administration, and additional funds to finance SBA's assistance of small business in obtaining Government contracts and sub-contracts.

3. MILITARY CONSTRUCTION. The Armed Services Committee ordered reported with an amendment in the nature of a substitute bill H. R. 13015, authorizations for military construction. p. D730

4. WATER. The Public Works Committee reported with amendment H. R. 6701, to grant the consent of Congress to the Tennessee River Basin Water Pollution Control Compact (S. Rept. 1961). p. 13734

Agreed to S. Res. 328, to provide for the printing of additional copies of the report, "Water Developments and Potentialities." p. 13629

Sen. Kuchel commended the city of Coalinga, Calif., for authorizing the construction of a plant for the conversion of saline water for public use. p. 13632

5. WATERSHEDS. Both Houses received from the Budget Bureau plans for works of improvement on Adobe Creek, Buena Vista Creek, Central Sonoma, Calif., upper Nanticoke River, Del., Donaldson Creek, Ky., Mud Creek, Nebr., Peavine Mountain, Nev., Indian Creek, Tenn. and Miss., and Coon Creek, Wis.; to Agriculture Committees. pp. 13625, 13623.

6. CLAIMS. Received from this Department a report on tort claims paid by the Department in the fiscal year 1958. p. 13625

7. SMALL BUSINESS. Sen. Humphrey commended the Congress for passing legislation for the relief of small business. p. 13636

8. FORESTRY. Sen. Morse inserted a letter and newspaper editorial praising the enactment of legislation for the establishment of an Outdoor Recreation Resources Review Commission. pp. 13733-34



Among Arabs, national boundaries mean very little. Most of them were drawn by foreigners. It is said that Jordan's frontiers for example were carved out of the desert by Winston Churchill one evening over brandy and cigars. So it is not very meaningful in some cases to talk of Arabs on one side of such a border aggressing against Arabs on the other side. There is a fierce sentimental wish for all Arabs to be united.

Among all new nationalists there is an overwhelming urge to be left alone, to have a period of isolationism, noninvolvement. George Washington stated this eloquently for the new America in his Farewell Address. To leap the centuries, Nehru has repeatedly stated it for the new India. The Arabs have even more repeatedly stated it. They are barely aware there is a cold war on; they are not interested, and want no part of it.

Our great fallacy is to disregard this and to strive to force Arabs into a bloc on our side against Russia. When Britain was negotiating to give up Suez, she made it a prime condition that Egypt join our bloc. Egypt refused to the point of using violence. Britain tried 2 years ago to stuff Jordan into our bloc. Jordanians rebelled in the streets, tore a British officer limb from limb; and Jordan promptly withdrew from the alliance.

The main reason there is any Russian influence in the Middle East is that, on the rebound, in anger at us, some Arabs have been enlisting Russia to counterbalance our pressure. Until we started that there was no Russian influence there.

In Lebanon, President Chamoun's distinctive policy is to tie Lebanon to the western bloc. When Chamoun recently indicated plans to change the constitution to become permanent President, for he knew any popular election would reverse his policy, there was a rebellion against him. That is the main fact about the crisis now in Lebanon.

Iraq was the chief Arab nation on our side. Our pact was named after her capital city, the Baghdad Pact. The current rebellion is aimed to take Iraq out of that pact and give the new rising middle classes of the Arab world predominance.

The point should be as clear as repeated bloodshed can make it—the Arabs don't want to take part in the cold war. Our persistent effort to force them in makes them turn to our foes for balance against us. This policy requires us to base policy on a few kings or governmental chiefs we can trust to stay with us, and a commitment to go in with force and hold their peoples at bay when their peoples rebel. It is that kind of commitment that has got us in the position we are now in.

There are many differences, but basically, in one respect the parallel with China is not exaggerated. The main force sweeping China was a genuine nationalism. We failed to recognize it, let communism discover it and take it over, and thus lost China to communism. Though there is a little affinity for communism among Moslems, if we persist in our present policy, we may in the end succeed in making communism predominant, and losing the vastly rich and strategic Middle East as we lost China.

A way out suggests itself. Awakened British politicians have been suggesting it for a long time. We have let Khrushchev see the obvious and beat us to the draw at proposing it.

The Arab world must simply be declared out of bounds to the cold war. Much as Switzerland was declared off limits to the quarrels of Europe for the past century and a half, so Araby should be left to itself, not an object of contention among the great powers.

The question of what to do about all that western-controlled oil in the Middle East arises. The answer is—give it to those to whom it belongs, the Arabs. We will then simply have to buy the oil from them. We

may have to pay a little more than we now pay, but that won't be fatal to anybody's economy.

Is there a danger the Arabs will not ship us the oil, but either keep it or sell it to Russia? The answer is, there seems little danger of that. They have to sell it to live. Russia has no need for it, having more oil at home than she needs. The only market, the only people who have the complex marketing and distributing mechanism are westerners, so it will be sold because the Arabs have to, and will be sold to us.

There will be many complications to negotiating an arrangement to neutralize the Arab world. Russia cannot be expected to negotiate in good faith, so we will have to insist on self-enforcing checks. There will be other complications. But the road to follow is clear. At the very least we should stop going down the opposite road.

This is Howard K. Smith in New York.

#### AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. PROXMIRE. Mr. President, last night I was speaking with respect to the farm bill presently under consideration, and I expressed my very strong and deep opposition to it. When I concluded last night, I was discussing the enormous importance to our farm population of the parity principle—the concept of parity—and the overwhelming importance to the farmers of having some provision for economic security. I was pointing out that one of the great inconsistencies in economic life is that all of us attempt very hard to acquire security for ourselves and the people with whom we can identify economic interests, while firmly opposing the same for everyone else. I pointed out that large corporations have achieved a very great measure of security, and that practically no large corporations have failed. I pointed out that labor unions have achieved a large degree of security, and that working people generally, even those who are not members of labor unions, by reason of minimum-wage and maximum-hour legislation, have achieved security. Through tariff legislation and through subsidies to industry, we have provided a great deal of security throughout the American economy.

Despite that, somehow when we discuss security for farmers through price-support operations the idea is considered to be un-American, or in opposition to the free-enterprise system.

I should like to conclude my quotation from the great book by John Kenneth Galbraith, *The Affluent Society*, by reading an extremely pertinent statement on this very point. Dr. Galbraith says:

The desire for economic security was long considered the great enemy of increased production. This attitude was firmly grounded in the belief that the insecurity of the competitive model was essential for efficiency. Along with the carrot of pecuniary reward must go the stick of personal economic disaster. Both were essential. To remove the stick, which must be the consequence of increasing economic security, would be to remove half the incentives by which men were inspired. This belief still has a considerable role in the conventional wisdom. The efforts

of farmers to minimize uncertainty, although in many respects far less effective than those of larger corporations or trade unions, have inspired especial alarm. In the recent view of a leading agricultural economist—

Referring to Karl Brandt, writing in the *Journal of Farm Economics* for May 1952—

When millions of able (farm) entrepreneurs have regained the self-confidence to operate without the social harness of bureaucratic guidance and universal risk insurance, it is an event that may amount to a decisive victory in the free, anticollective world.

Dr. Galbraith proceeds:

But even in modern corporate life, the conventional wisdom gives great credit to the threat of adversity. "The characteristic of European businessmen as a class as distinguished from Americans is their complacency, their timidity, and their instinctive looking to each other and to government for protection against the rude shocks of the contemporary world. And the thing they fear most is price competition."

The last statement is taken from Mr. Clarence Randall's "A Creed for Free Enterprise."

This is the answer:

Plainly, however, the notion that economic insecurity is essential for efficiency and economic advance was a major miscalculation—perhaps the greatest in the history of economic ideas. (It was the common miscalculation of both Marxian and orthodox economists. Marx and his followers were deeply persuaded that capitalism would be crippled by efforts to civilize it. To cite one obvious example, unemployment compensation would ruin the operation of the industrial reserve army in regulating wages.)

That is the theory of Marxian economics. Incidentally, it is also too widely believed among classical economists.

In fact the years of increasing concern for economic security have been ones of unparalleled advance in productivity. Those spokesmen who have been most alarmed over the debilitating effects of the search for security have often remarked most breathlessly on the improvements in productivity which have occurred at the same time. The economist whose views were just cited—

He is speaking about Mr. Brandt—

on the alarming dangers of universal risk insurance in agriculture characteristically observed in the same paper that, "during the last few decades, breath-taking technological evolution has been opening new frontiers in agriculture, and the progress has been most spectacular in the United States and Canada. Not only did it assist greatly in World War II, but it also kept millions of people in Europe and Asia alive." Part of this technological advance in agriculture may have been the result of price-support legislation which reduced price and income uncertainty. Farmers were thus able to invest in new technology with increased confidence. But this notably plausible possibility has no standing in the conventional wisdom. Hence it is forthrightly ignored.

I depart from the writings of Dr. Galbraith at this point simply to add that there is no question in the minds of thousands of Wisconsin farmers to whom I have talked, that a great reason why they were able to mechanize their farms, bring electricity to their farms, and were able vastly to increase economic productivity was that the Government stepped in and gave them some security. The fact is that back in 1932



1 farm in 4 in Wisconsin had a tractor, 1 farm in 10 had electricity, and 1 farm in 20 had milking machines.

After 20 years of New Deal farm programs, after the REA program had been adopted, after the farm loan programs were put into effect, and after the farm price-support programs came into being, technology on the farm and productivity on the farm had vastly increased, so that by 1952 there were more tractors in Wisconsin than farms; in fact, there were about 5 tractors for every 4 farms, while 9 out of 10 farms had electricity, and 19 out of 20 farms had milking machines. The result was a tremendous increase in productivity.

There simply is no question in my mind that the way to expand the wealth of America and the way to support, improve, and encourage agricultural productivity is to provide economic security through farm programs such as the price-support program, which, unfortunately, is sought to be crippled by the proposed legislation we have before us.

To go back to the quotation from Dr. Galbraith:

The data on what has happened to output in the age of security could scarcely be more impressive. In the 20 years prior to the 1930's, the decade when the concern for security first became a source of uneasiness, labor productivity—national income produced per man-hour—increased from 89.6 cents in 1900, to 113.3 cents in 1929. This was a total of 23.7 cents or at a rate of about 1.2 cents a year. In the 10 years following the thirties the total increase was from 131.5 cents to 179.2 cents or by 47.7 cents. This was by an average of 4.8 cents a year, or 4 times the amount of the earlier period. The increase continued in the decade of the fifties. Plainly the increased concern for security, so far from being in conflict with increased productivity, was consistent with a greatly accelerated rate of advance. The most impressive increases in output in the history of both the United States and other Western countries have occurred since men began to concern themselves with reducing the risks of the competitive system.

It must be repeated that in the conventional wisdom such empirical evidence is not necessarily decisive. The consequences truly depicted by the conventional wisdom are, it is held, lurking just out of sight. To respect the evidence is only to evince an unsubtle mind. Yet in this instance the reality is somewhat difficult to evade. The increase in economic security and the increase in economic product are accomplished facts. The conflict between security and progress, once billed as the social conflict of the century, doesn't exist.

If there is one idea I hope to get across in this debate, it is that this bill would vastly reduce the security of the American farmer. The idea I wish to get across is that the evidence is overwhelming that that would be a disaster, not only for the American farmer, but for our whole productive enterprise system.

As defined in section 301 (a) (2) of that act, parity as applied to income, is described as follows: "shall be that gross income from agriculture which will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful employment."

In all the subsequent farm income legislation enacted since 1938, provisions for price support and for use of market-

ing agreements and orders are based on this concept of parity farm prices and incomes. This bill does not repeal this legislation in so many words. Instead, the bill in effect would repeal the parity concept in farm programs by setting up an entirely new standard in its place.

The new standard proposed by the bill is far from the parity concept. It is about as far from the parity concept as we could get. The price support standard proposed by the bill for farm programs is by definition "10 percent below the previous market price."

What is the point in having supports that do not support? Why must we make a mockery of our farm programs? It would be more accurate and more candid to tell farmers frankly that the intention is to strip away the effective programs which have given them some bargaining power in the past 30 years, and to return them to the same economic helplessness that destroyed hundreds of thousands of farm families during the twenties and early thirties.

For 5 years, the Eisenhower administration has been doing everything it could to discredit the concept of parity for farmers. The administration spokesmen have tried to shame farmers into believing there is something sinful in parity.

The administration has even tried to make city consumers believe that farm surpluses were the cause of high prices, and that farm programs were the cause of surpluses.

All of us in the Senate know that these stereotypes are not true. Yet we know also that much of the antifarmer propaganda of the administration has been effective in discrediting the farm program among the nonfarm population.

Of course, it has been effective, because it has been poured out in enormous abundance by the Reader's Digest, which has the largest circulation of any publication in the world, by the Saturday Evening Post, by Life and Time magazines, and by virtually all the large newspapers of the United States. They have all given one side, and only one side. I have read these publications carefully and searched the indexes. I have never found an article giving the other side, the side in favor of providing some kind of real economic security for our farmers. That side has not been told to the American people, except through thin, small voices like mine, when I make speeches on the floor of the Senate and try somehow to reach the American people. Yet I have found that with this relatively weak voice, even with the overwhelming preponderance of money, capital, and propaganda on the side of discrediting the parity concept, not only do the farmers of Wisconsin overwhelmingly approve of it, but a surprisingly large number of people off the farms approve.

I recall that last February or March there occurred an interesting debate on the postal bill. In the course of that debate it was pointed out that the Government provides enormous subsidies for the Reader's Digest, Life magazine, Time magazine, and the New York Times. It provides huge subsidies for which, of

course, those publications fight; and they have every right in the world to fight for them.

For many publications subsidies are about equal to their total profits. In the case of Life magazine, as I recall, the subsidy was in the neighborhood of \$9 million. The subsidies for the Reader's Digest and the Saturday Evening Post are very great. Subsidies provide for such publications a great measure of security.

This is not, however, the important kind of security which the Reader's Digest, the New York Times, and the other great publications have. They have control over their own production. They can fix their own prices. During the past 30 years, such prices have always gone in one direction—up. I can remember when the Chicago Tribune cost 2 cents a copy. It costs a nickel a copy today, which represents a very large percentage increase.

Advertising rates in these publications have gone up steadily and relentlessly—always in one direction. This has not been true, however, of farm prices. They have fluctuated; and every fluctuation represents a heavy degree of insecurity for American farmers.

As I have said, this propaganda has not influenced the Wisconsin dairy farmer to think that reductions in milk prices should be accepted without resistance and objection. That is why I am speaking on the floor of the Senate today.

A recent poll by the Wisconsin Agriculturist and Farmer reports that less than one-twentieth of the farmers of Wisconsin think that Secretary of Agriculture Benson is doing a good job.

Think of that. Only 1 out of 20 farmers think Secretary Benson is doing a good job. When the present President of the United States is at the low ebb of his popularity, something like 53 percent of the people think he is doing a good job. When President Truman reached the bottom of his popularity, 35 or 40 percent of the American people thought he was doing a good job. But in Wisconsin the farmers, who are directly concerned, who have the greatest knowledge of, and certainly the greatest experience with the kind of job the Secretary of Agriculture is doing, do not believe that he is doing a good job. Nineteen out of 20 failed to say that he was doing a good job. Only 1 in 20 agreed that the Secretary of Agriculture is doing a good job for them. Not the least of their reasons for feeling this way is the stubborn, continuous campaign that Secretary Benson has waged to discredit farmers and farm programs in the eyes of the public.

The present programs were based on the parity concept. Their objective is that which still stands in the existing farm laws to "provide the farm operator and his family with a standard of living equivalent to that afforded persons dependent upon other gainful employment."

Let me repeat that, because the parity concept is essential for the well-being of our farmers. It is that concept which is being eliminated by the pending bill.



The objective is to "provide the farm operator and his family with a standard of living equivalent to that afforded persons dependent upon other gainful employment."

The programs are not and never were perfect; they are not fully adequate to the needs of farm families in the present day. But when administered with a sincere determination to help improve and protect farmers' prices and incomes, they operated with reasonable success and at moderate cost to taxpayers.

In contrast to the generally successful record of the first 20 years, the present Secretary of Agriculture has somehow managed to operate those programs, since 1953, in such a way as to reduce their effectiveness, while at the same time enormously increasing the cost to taxpayers.

It is no secret that farm income has dropped sharply at the same time farm costs have increased. However, even though most taxpayers are conscious of their taxes, very few taxpayers realize what a tremendous burden the Department of Agriculture has imposed on them. The greatest foe of the American taxpayers today is Ezra Taft Benson.

The fact is that last year, as the distinguished Senator from Minnesota [Mr. HUMPHREY] stated last night, the cost to the taxpayer for our farm program under the present administration was six times the cost during the year of the greatest expenditures for such purpose under the preceding Roosevelt and Truman administrations, during the 20 years of those administrations. The fact is that the taxpayers should be crying for Secretary Benson's scalp.

The fact is also, of course, that taxpayers, unless they are engaged in farming, have no immediate, practical, or insistent reason for becoming interested in farm programs or problems. They read about them through their great newspapers and periodicals, and they get the impression that while Secretary Benson may not be so friendly to farmers, and while he is taking an "objective" view of the farm interests, he is a great friend and a great champion of the taxpayer.

I have heard it said that the present farm program is in error, is unpopular, and must be changed, mainly because of its great cost to the taxpayers. My argument is that the administration of the program can be improved. We have had 20 years of approximately the same kind of laws; yet under the Truman and Roosevelt administrations we did not have the enormous, overwhelming cost to the taxpayers that we have today.

I believe also that, in all fairness, some changes must be made in our basic farm law. That is why I have submitted a series of amendments which would improve and increase farm income. At the same time I am sure we can greatly reduce the cost to the American taxpayers. The fact is that there is no one in the American economy, with the possible exception of the small businessman, who more completely opposes a subsidy system or a giveaway system than the American farmer. He wants to get off the taxpayers' back as fast as he can. We recognize the nature of the farm

program and we recognize the tremendous importance of getting the farmer off the taxpayers' back. Let me note at this point that if we insisted on requiring other people in the economy to produce unlimited amounts of their products, to produce as much as they could produce, they, too, would produce great surpluses, and they, too, would have to rely on the taxpayers to provide some economic security for them.

To top off this paradox of enormous spending by the Benson administration, while at the same time providing no real support for farm income, during the past 5 years, the prices paid by consumers for food have risen and the prices received by farmers for farm food commodities have fallen. Let me repeat that. The prices received by farmers have declined, while the prices paid by consumers have increased. As former President Truman has said, "It takes a real magician to accomplish that."

I read an article in this morning's Washington Post stating that General Foods has raised its dividend to 60 cents a share.

Mr. President, on the very day when the Senate is considering a farm bill to hammer down farm income through chopping a hole in the income farmers now receive, the huge General Foods Corp. announces a fat increase in their dividends. What is happening is that the American farmer is receiving less and less, the consumer is paying more and more, and the middleman, the big corporate processor, is benefiting enormously through his widening margin.

We cannot blame the processors. They take advantage of the situation. There is in the Department of Agriculture a tremendously able and experienced group of processing executives. Their whole background dictates that farm prices are considered costs, which are to be kept as low as possible; and that what the consumer pays is income, which is to be pushed as high as possible.

If there has been one successful consequence—and it is about the only one in the Benson administration—it is that this processing viewpoint, this particular economic outlook, has certainly flourished in our economy during the past 5 years. The margin is certainly widening. Prices are at an alltime high. The farmer has suffered and the consumer has suffered.

According to Economic Indicators, a monthly statistical publication prepared by the President's Council of Economic Advisors, the retail price of food has risen from 112.8 in 1953 to 121.6 in April 1958. The newspapers of Washington report that official Government statistics show that food prices in Washington grocery stores are at an alltime high record.

Meanwhile, Economic Indicators reports, on page 25, that prices received by farmers have dropped by more than one-tenth. Here are some more economic miracles accomplished by the administration of Secretary Benson. First, let me say again that the bill, if passed, will further depress farm income enormously, far more than it has been depressed during the past 5 years, and will depress it relentlessly and steadily and

toward the end which I demonstrated last night. It will end up by reflecting the European price or the Japanese price, minus the freight charges across the Atlantic or the Pacific.

Prices paid by farmers for food have gone up 7 percent, while prices received by farmers for food commodities have gone down 7 percent. Truly, as former President Truman said, "It takes a magician to bring that about."

From 1952 to 1956, the total retail food bill of all our consumers rose by \$3 billion, from \$44.5 billion in 1952 to \$47.5 billion in 1956. Yet farmers' sales of food commodities dropped by \$1.6 billion in value during this period—from \$20.1 billion in 1952 to \$18.5 billion in 1956.

The margin is widening. \$47.5 billion is what the consumer has to pay. The farmer gets only \$18.5 billion. The farmer's share of the consumer's dollar is dwindling down to 39 cents. The program under the pending bill will drive the farmer's share down further. Any consumer who has the idea that the program will help him, should recognize what has been happening under the kind of administration of the farm program experienced during the past 5 years.

These figures are dramatic testimony of the kind of job Secretary Benson has done, and for whose benefit he has done it. The amount of the American consumer's food bill, which is pocketed by the middle man, has increased by \$4.6 billion dollars.

With the exception of the presidential election year of 1956, Secretary Benson has reduced supports, which were holding up farm prices, at every opportunity presented to him under the law.

Mr. President, I ask unanimous consent that a table comparing the farm price support levels for various farm commodities in the years 1952 through 1958 be inserted in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Support price of farm commodities (established by Secretary of Agriculture under applicable laws)*

| Commodity                | 1952   | 1955   | 1956   | 1957   | 1958   |
|--------------------------|--------|--------|--------|--------|--------|
| Wheat.....               | \$2.20 | \$2.08 | \$2.00 | \$2.00 | \$1.82 |
| Corn.....                | 1.60   | 1.58   | 1.50   | 1.40   | 1.36   |
| Cotton.....              | .31    | .32    | .29    | .29    | .31    |
| Peanuts.....             | .12    | .12    | .11    | .11    | .11    |
| Rice.....                | 5.04   | 4.66   | 4.57   | 4.72   | 4.33   |
| Tobacco (11-14).....     | .506   | .483   | .49    | .51    | .54    |
| Butterfat.....           | .692   | .562   | .586   | .586   | .566   |
| Milk, manufacturing..... | 3.85   | 3.15   | 3.25   | 3.25   | 3.06   |
| Wool.....                | .542   | .62    | .62    | .62    | .62    |
| Barley.....              | 1.22   | .94    | 1.02   | .95    | .93    |
| Oats.....                | .78    | .61    | .65    | .61    | .61    |
| Rye.....                 | 1.42   | 1.18   | 1.27   | 1.18   | 1.10   |
| Sorghum, grain.....      | 2.38   | 1.78   | 1.97   | 1.86   | 1.83   |
| Flaxseed.....            | 3.77   | 2.91   | 3.09   | 2.92   | 2.78   |
| Soybeans.....            | 2.56   | 2.04   | 2.15   | 2.09   | 2.09   |
| Beans, dry edible.....   | 7.87   | 6.36   | 6.31   | 6.31   | 6.18   |
| Cottonseed.....          | 66.70  | 46.34  | 48.60  | 46.20  | 45.00  |
| Index of farm costs..... | 287    | 281    | 286    | 292    | 305    |

NOTES

(1) 7/8-inch official grade for support purposes. Support prices of average grade are about 2 cents per pound higher than figures shown.

(2) Corn produced in compliance with acreage allotments. Noncompliance corn was supported at \$1.25 in 1956 and \$1.10 in 1957.



Mr. PROXMIRE. I should like to indicate how drastically and relentlessly the farmers' prices have been hammered down.

Wheat, in 1952, was \$2.20. It dropped to \$2.08 in 1955, to \$2 in 1956 and 1957, and to \$1.82 in 1958.

Corn was \$1.60 in 1952. It dropped to \$1.58 in 1955, to \$1.50 in 1956, to \$1.40 in 1957, and to \$1.36 in 1958.

Cotton has remained fairly stable at 31 cents. Of course the cotton farmer has suffered because his production has declined in many areas of the country, and because, like every other farmer, his costs have risen.

Peanuts have gone down to 11 cents. Rice has gone down. It was \$5.04 in 1952. It is \$4.33 in 1958.

Tobacco has increased in price. That is a very interesting point. Tobacco has increased. Why has it increased? The tobacco farmers in Wisconsin will be interested. It is because the concept of parity has been lived up to in connection with tobacco. Production controls are enforced, and they work. The tobacco farmers of Wisconsin would come to Washington en masse if they thought they would lose their program. I tell the tobacco farmers of Wisconsin that they will very likely lose their program if the pending bill is enacted, because the bill establishes a policy which, on the basis of statements made by officials in the Department of Agriculture, is to be applied to other commodities, and specifically and especially to tobacco.

Butterfat has declined from 69 cents to 56 cents.

Manufacturing milk is an enormously important product in Wisconsin. The State of Wisconsin exports more milk than do the next five milk-producing States combined. Milk is the backbone of Wisconsin's economy. It is the backbone not only of our farm economy, but of our whole economy in Wisconsin. It affects the small town economy, because if farmers cannot buy, the small business man in the village or town cannot sell.

It means that they are in trouble.

The figures show what is happening to manufacturing milk under Benson. In 1952 the price was \$3.85. In 1955 the price had gone down to \$3.15. Now it is down to \$3.06. The recent flurry of increases in the prices of some farm commodities have not affected milk in the least. The price of milk is down now as low as it has been for a long, long time.

The price of wool has increased. There, again, is a program which is working. I may say, incidentally, although I do so with a little political reluctance, that I am very happy about and support enthusiastically the wool amendment to the bill. I shall support it because I think the bill should be improved in every possible respect. Wisconsin has very few wool farmers—practically none—but I think all farmers must stick together. I think we shall not get a decent farm bill passed unless something is done not only for cotton and rice, but something also for the wool and dairy farmers.

The price of barley has dropped from \$1.22 in 1952 to 93 cents in 1958.

The price of oats has dropped from 78 cents to 61 cents. The price of rye has dropped steadily from \$1.42 to \$1.10.

The price of sorghum grain has dropped from \$2.38 to \$1.83.

Flax seed has dropped from \$3.77 to \$2.78.

Soybean prices have dropped from \$2.56 to \$2.09.

Dry, edible beans have dropped from \$7.87 to \$6.18.

The price of cottonseed has dropped from \$66.70 to \$45.

In the meantime, while the income of the farmers has been dropping, their costs have risen steadily and relentlessly from an index of 287 in 1952 to 305 in 1958. There is the real squeeze, there is the terrible injustice, to the American farmer.

In general, Secretary Benson has pushed farm support prices down from the level of about 90 percent of parity, which prevailed generally in 1952, to 75 percent of parity, or a little less.

Under the existing law, the Secretary was not permitted to do this in the case of tobacco. With the support price of tobacco fixed by law at 90 percent of parity, the support price has been rising as farmers' costs have climbed, as I have just pointed out.

The parity index of prices paid by farmers for production and family living needs has risen during the administration of Secretary Benson from 287, in 1952, to a record high of 306, in April of 1958. This illustrates the quicksand quality of dollars-and-cents price support floors, such as those included in the bill. This 19-point increase in farmers' costs means that the \$1.10 floor supports for corn, if the cost of farming continues to rise in the future as it has in the immediate past, would shrink in purchasing power within 5 years to barely \$1.

The same is true of the 30-cent cotton floor and the \$4 rice floor. Fixed dollars-and-cents support floors have a built-in sliding scale which will reduce purchasing power as farm costs go up. This, of course, is directly opposite to the parity concept which Congress originally wrote into our farm laws.

I believe this is something which all the American people can understand. Assume the support price is fixed at a dollar amount. We have had steady inflation. The reports in today's newspapers are that temporarily, for this month, there seems to be a little surcease in it. But on the basis of experience during the past several years, considering the great monopolistic forces in our economy, particularly in steel production, there is no question that prices are much more likely to increase in the next few years than they are likely to decrease. In fact, it is almost inevitable that prices will go up, and go up steadily. If the international situation worsens, prices may go up drastically.

Under these circumstances, the \$1.10 fixed support price for corn is not helpful; it is extremely harmful. The consequence of this kind of operation is to force farmers off the farm. Some persons say that the way to solve the farm problem is to have fewer farmers producing. They say that the efficiency of farm operations has increased, and that farmers can produce more. There-

fore, the way to handle the situation is to have fewer farmers operating, and, therefore, with a drop in farm income, the fewer number of farmers dividing the income will receive more money.

This has not been working very effectively. Although farmers have been leaving the farms, per capita income of the remaining farmers from farm sources certainly has not risen. I think it can be established that the per capita income from all sources has gone down, and gone down seriously.

The injustice of this operation can be seen particularly at present. I do not think it is any secret to any United States Senator or to most of the American people that the country is confronted with a serious unemployment problem.

The Milwaukee Journal, in my State of Wisconsin, made a study of the proportion of Wisconsin farmers who have taken work off the farm to supplement their farm income. It was found that 40 percent of the farmers of Wisconsin, although they worked 12 hours a day, 7 days a week, on the farm, had some kind of substantial off-farm employment to supplement their meager farm income. What kind of extra work can those farmers do today?

I know of an employer in Waterloo, Wis., who got some splendid workers from the farms, but they were persons who during the spring, summer, and fall would have to spend most of their time on the farm. Therefore, they were the last hired and the first who had to be let go. In this kind of surplus labor market, it is very difficult for the farmer to find off-farm work.

That is not all. What about the farmer who has been driven completely off the farm? What does he find when he goes to Chicago, to Detroit, to Boise, to Butte, or to Houston? What does he find when he looks for work. He finds there is not enough work for the people who have been working in those places, who have established seniority, who have skills. What kind of job can the farmer find?

It is extremely unjust to drive the farmer off the farm under those circumstances. Farmers have been leaving the farms under somewhat more comfortable circumstances during the past 10 years. They left the farms in large numbers before the depression. It is not necessary to have terrible economic insecurity, it is not necessary to have low farm income, to cause farmers to leave their farms. They are leaving the farms anyway. As the older farmers die, the young children, after they are educated, instead of continuing with farming, enter some other occupation. This is the healthy course, the proper course, the human way to proceed. But to drive farm income down, as the bill would do, is not the proper thing to do.

I call the attention of the Presiding Officer to the fact that many people in the cities, people who have been reading the Reader's Digest, and the Chicago Tribune, feel that farmers, after all, have it coming to them. They say that farmers have been getting help from the Government. If they were efficient,



if they worked hard, they would not be suffering. After all, the farmer is the master of his fate. He has an investment; he has his own job. He can make or break his own business.

The fact is that that is not true. The fact is that the farmer has improved his efficiency and his productivity more than any other group in our economy. The President's economic report for this year, which was on the desk of every Senator at the beginning of the year, shows that since 1947 our agricultural economy, our farmers, have increased their efficiency by more than 80 percent, while people off the farms have increased their efficiency by only about 27 percent.

The farmer has improved his technological efficiency in the past 12 years 3 times as much as have the persons who live off the farms. No one questions that a farmer works long hours. A recent study in Wisconsin showed that farmers worked 12 hours a day. They work with efficiency. They have a capital investment. What do they get for it?

On the basis of studies made by the Department of Agriculture and the College of Agriculture of the University of Wisconsin, in 1958, farmers in Wisconsin are making 45 cents an hour. These are not marginal farmers; they are among the best, most productive, and efficient farmers in the country. They are farmers who have, on the average, an investment of from \$40,000 to \$45,000 a farm. They are working efficiently and are increasing their efficiency. Yet they are making from 45 to 50 cents an hour. The bill would even drive that amount down.

Not all commodities have had specific price-support programs and established price-support levels even before 1953. But the general support programs, established for the major commodities, such as milk, butterfat, wheat, cotton, corn, and tobacco, have served to establish the general level of farm prosperity and general level of farm prices.

This is true for two major reasons.

I may say, incidentally, that the general support programs which have established this sort of thing have also established something very important to the rest of us, something very important to those of us who are not on the farms—namely, a high level of prosperity. In the mind of any economic historian, there is no question that every serious depression the United States has had has been farm led and farm fed. The depressions have started on our farms, because the farmer is an enormously important customer.

The fact is that the farmer buys more steel than does any industry, including the automobile industry, in the United States. In only 1 year—I believe it was 1955—did the automobile industry buy more steel than the farmers did. In all the other years the farmers have been the most important customers of the steel industry.

The same is true in the case of rubber and many of the other most important industries of the United States. The farmer is an extremely important customer. The program for butterfat

and the other farm programs thus have been the backbone of our security and our prosperity. So, Mr. President, when we abandon the parity concept—as the pending bill clearly would do—we not only dig a grave for the American farmer, but we lengthen the unemployment lines in New York, Detroit, Boise, and elsewhere throughout the country.

It is true that the basics, including milk and butterfat, have been supported. But that has been true for two major reasons.

The first is the competition of crops for land use and other farm resources. The farmer keeps shifting his production to the best of his ability, in order to put his resources to the most profitable use. If the support level for feed grains is reduced and if the level of support for milk is left unchanged, many farmers stop raising grain for sale, and turn, instead, to producing milk. They will, in effect, sell their grain crop out of a milk pail, instead of out of a bushel basket, if thereby they can hope to get a better net return.

Mr. President, that phrase is very important. It is one that the farmers of Wisconsin recognize—namely, that a farmer can sell his grain crop out of a milk pail, instead of out of a bushel basket. And the pending bill would have that result, because it would enormously decrease the supply of feed grains. It would enormously and very quickly increase the production of milk. That would inevitably and certainly mean that the price of milk would be driven down, and it would put added pressure on milk programs, would build up surpluses, would reduce the proportion of costs that could be recaptured in disposition outlets, and, as a result, the Government's costs for the milk program would soar. Then the clamor would begin for a reduction of the support level for milk.

Second, if prices of the major commodities are supported at 90 per cent of parity, that will help hold the market prices of other, substitutable commodities at a similar level, even though they may not be protected directly by a specific support program.

The prospect which the bill holds out to producers of soybeans illustrates how the bill threatens the entire farming economy. The bill does not give any protection to the producers of soybeans. The support level of soybeans could be dropped as far down the scale as the Secretary of Agriculture might wish—and since he took office in 1953, Secretary Benson has cut the price support on soybeans from \$2.56 a bushel to \$2.09, in 1958.

In industry, in the food trade, in feed, and in manufacturing, the products of soybeans and the products of cottonseed are almost completely interchangeable. An increase in the supply of cottonseed reduces the price of soybeans just as surely as if the supply of soybeans had been increased by a similar amount. Soybean producers and their associations have been doing a good job of foreign marketing in private trade and through Public Law 480.

But now, under this bill, the soybean producer is faced with a direct and certain threat. The bill provides a cotton program that will make it attractive to individual cotton producers to plant an additional 40 per cent of acreage. An additional 40 percent of acreage will increase the supply of cottonseed by 40 percent. That will have exactly the same crushing effect upon the soybean market as if there were a sudden increase of approximately 10 percent in soybean production.

I hope the Senators from the corn and soybean growing states will give sober consideration to the effect of the bill upon the soybean market. The bill not only would eliminate corn as a basic and would reduce the support levels for barley and oats, but the fact that it also provides for a vast increase in cottonseed production means that it would result in reducing the returns that farmers can earn from soybeans, at the same time that it would reduce the support level on corn from \$1.26 this year to \$1.10 for next year. Thus, if a farmer did not like to produce corn at the new, lower support level, the bill would make his decisions doubly difficult by also cutting his soybean prospects out from under him. Surely it would be contrary to the interests of the great corn-producing States to enact this bill without providing some kind of protection for soybean producers from the enforced increase in the supply of cottonseed that the bill would insure.

Mr. President, the changes in the farm program that are needed are in exactly the opposite direction from those proposed in this bill.

The effectiveness of the farm program has been continuously whittled down year after year under Secretary Benson and President Eisenhower. Farm prices have been allowed to drop by 19 percent; the parity ratio has been allowed to drop by 18 points; but total farm production has gone up 6 percent, in spite of record carryovers.

Mr. President, that point alone should awaken every Senator to a realization of the fact that we cannot win by driving down prices. That does not cut production, and it will not cut production. The statistics show overwhelmingly that as prices are driven down, the farmer is forced to produce more. Of course he has to; that is the only way he can live.

What happens to a Wisconsin farmer when he finds that the price per hundredweight of milk has gone down? Does he then proceed to produce less milk? Of course not. Instead, he has to produce more milk. If he were to produce less milk, he would have no chance to meet the fixed costs he has to meet, including taxes and the costs of the bare necessities of life.

Instead, as prices go down, he produces more. This may be a mystery to agricultural economists, but it is no mystery to the farmer.

I have talked to as many farmers, I think, in the past 2 years as has anyone else in public life. I have talked to farmers all over the State of Wisconsin. I find that the farmers recognize much more readily than does anyone else that



when the prices of what they produce go down, they have to increase their production.

In the old days this principle used to be applied in the sweatshops—before organized labor acquired strength: When wages were lowered, the workers had to work longer hours, in order to produce more. They had, if they were to remain alive. Today, the same principle is being applied to the farmers.

Realized net income of farm operators has gone down by one-fifth, to the lowest point since 1942. The purchasing power of farm income has dropped by almost one-fourth and farm debt, at more than \$20 billion, is at a record high.

Average net income per farm, in spite of a 12-percent drop in the farm population, has dropped from \$2,800, in 1952, to only \$2,500, in 1957.

Think of that, Mr. President. The average net income per farm—not per person, but per farm, for all the people who rely on a farm for their living—has dropped to \$2,500.

Mr. President, how would you or I like to try to support our families on \$50 a week? But \$2,500 a year does not amount to quite that much a week. And \$2,500 a year is the average, not the low, for the American farmers.

In contrast, the average per family income of non-farm families has increased from \$5,400 to \$6,100. Of course, all of us applaud that; and we hope that average will rise even more. Part of our job as Senators is to pass laws to help create an economic climate which will permit that amount to increase. But another part of our job as Senators is to do all we can to see to it that justice is done to all parts of the economy; and certainly the present situation does not amount to justice for the farmers.

Furthermore, it looks now as if 1959 will be much worse than 1957, even if the bill is not passed to further weaken the support programs. During 1958, farmers will be receiving over \$700 million in income from the operation of the Acreage Reserve of the Soil Bank. This program will not be continued in 1959.

Moreover, all the acres now in the acreage reserve will be turned loose, to go back into commercial production. Each 1 percent by which these additional acres adds to total farm production will mean a 12 percent drop in farm prices, and a 10 percent drop in farm gross income, according to the latest research conducted by Dr. Willard W. Cochrane, of the University of Minnesota.

Mr. President, last night the distinguished Senator from Minnesota [Mr. HUMPHREY] pointed out how, under the provisions of the pending bill, the farmer's income will be whittled down. A little bit will be taken from his income this year, and a little bit more will be taken from his income next year, and his income will continuously be whittled down. In fact, under the provisions of this bill, his income will go in only one direction—namely, down—until, as the Senator from Minnesota pointed out, if the farmer were to turn sideways, the shadow he would cast would be so narrow, because he would be so thin, that he would be marked absent.

The Senator from Missouri [Mr. SYMINGTON] pointed out that when he came to the Senate he heard the distinguished Senator from Georgia [Mr. RUSSELL] make an extremely eloquent speech, the burden of which was that the farmer was not getting a fair break. The Senator from Georgia pointed out that farmers represented 13 percent of the population, and received only 6 percent of the income. As the Senator from Missouri pointed out last night, today farmers represent 12 percent of the population, but receive only 3½ percent of the national income.

If this bill is passed, the 3½ percent will be further reduced. I do not think there has been a bill which has been before the Senate in a long time in which the question or the issue of economic justice is so clearly focused.

The fall pig crop forecast is up. No one knows for sure when ranchers will slow down the rate at which they are rebuilding their foundation herds, and thus release more livestock on the food market. Egg production is rising.

Mr. President, this bill will, if enacted, start a new chain of economic forces into motion, which will result in a further wave of reductions in farmers' prices, purchasing power, and standard of well-being. It will move American agriculture further along on the dismal road on which it has been driven for 5½ years by Ezra Taft Benson. It will drive the American farmer the rest of the way back to the condition he was in during the 1930's. This is the wrong direction.

Instead of taking action here to destroy and weaken the supply management programs that we have, instead of further lowering the already too-low price stabilization levels, what we ought to be doing is to strengthen these programs.

As I said, and I am more sure of this than I have been of anything in my life, the strengthening of the programs will result in a lesser cost to the American taxpayer, if we recognize the simple fact that the farmer must be allowed to limit production and to tailor his production to demand, just as everybody else in the economy does. That fact should be branded on the intelligence of every Senator, and he should realize that the only way we are going to solve the farm problem is by permitting farmers to limit production.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Louisiana.

Mr. ELLENDER. How would the Senator from Wisconsin apply to the dairy producers the formula of limiting production to fit the demand? We have been wrestling with that problem for many years. Does the Senator want to kill off some of the cows?

Mr. PROXMIRE. Absolutely not.

Mr. ELLENDER. What would the Senator do? How would he handle the problem?

Mr. PROXMIRE. This is a problem that has been wrestled with for some time, I will say to the chairman of the committee, who is so extremely well informed on the farm program, who has

the welfare of the farmer in mind, and who, I know, he is working hard for the farmers.

In the State of Wisconsin the problem of how to limit production is of great concern. There have been many meetings in my State to consider the subject. Both the Republican and the Democratic parties have sponsored the meetings. We have finally come to an agreement as to how the problem can be worked out equitably and fairly under a self-help program. It has been presented to Congress. I think the Senator from Louisiana is aware of this program, as he is of other programs. I am also sure he disagrees with our views. I am convinced that if this program is given half a chance, it will work. I do not know how we can lose if we give the dairy farmers an opportunity to work out the program. They are willing to provide a sufficient margin as between those who will live by their quotas, and those who will not, so there will be a sharp and strong incentive to reduce production. I feel if the program is given half a chance it will work.

Mr. ELLENDER. As the Senator from Wisconsin knows, the so-called self-help program has appeared before the Congress for the past 15 years. The first proposal entailed an expenditure, in advances from the Treasury to the agency which would manage the program, of \$500 million. The last program has been cut back to a \$200 million loan from the Treasury. I do not believe the taxpayers would endorse such a program.

Another fault with the proposal, as I have pointed out, is that we would be transferring legislative authority to the commission which would handle the program. I presume the Senator will offer to the bill his amendment, on the so-called self-help program.

Mr. PROXMIRE. I intend to.

Mr. ELLENDER. We can discuss the question when the amendment comes up.

Mr. PROXMIRE. I should like to say to the distinguished Senator from Louisiana that in all this discussion I mean in no way to reflect on the very fine character of the Senator from Louisiana and his very sincere feeling for the farmer. Not only that, but he has an unusual and a remarkable competence in this field. However, we do sincerely disagree.

Mr. ELLENDER. I wish to thank the Senator for his statement. As he knows, during the questioning of Secretary Benson before the Agriculture Committee, the Secretary and I engaged in a heated discussion as to what he described as the losses sustained by the Commodity Credit Corporation.

A good many of the losses which were attributed to the Commodity Credit Corporation were in reality expenditures to support the school milk program, to help our friends abroad, and to furnish food supplies to disaster areas. I think we eventually showed that the losses sustained by CCC were not so great as claimed by the Secretary.

Let me point out to my good friend from Wisconsin that the milk program



has been, as he knows, on the statute books since the opening days of World War II. We sought ways and means to curtail production so that it would remain in keeping with demand, but we never were able to find the solution.

I wish to call to the attention of the Senator from Wisconsin that the loss sustained by the Commodity Credit Corporation on milk and dairy products as a whole has almost equaled the losses sustained on all the other basic commodities combined.

Mr. PROXMIRE. I reply to the Senator from Louisiana by saying that the fact is the Wisconsin farmers feel very deeply about wanting to change the program and modifying it so they can limit their production and eliminate the high cost of the support program.

I point out that the \$200 million appropriation would not be an annual appropriation. The first cost would be the end.

Mr. ELLENDER. I understand.

Mr. PROXMIRE. It would be an investment, and I think it would be a wonderful investment. In the long run, if the program worked, it would save the American taxpayers money. I think it would work. Perhaps the Senator from Louisiana thinks it would not work. If it should work, it would result in a saving to the American taxpayer, as well as be a great boon to the American dairy farmer.

Mr. ELLENDER. Ever since the first self-help milk program was presented to the Committee on Agriculture, I have urged objection to it. I think I am on solid ground when I say it would be wrong for us to hand over to a commission which would handle the program, legislative authority. That is what the Senator from Wisconsin is requesting. He would be giving to the commission the right and the power to tell a milk producer that he must reduce production, instead of letting the prerogative remain with Congress.

We shall come back to a full discussion of this proposition at a later time. When the Senator presents his amendment I should like to go into more detail about my objections to the proposal.

Mr. PROXMIRE. I thank the distinguished Senator from Louisiana for his remarks and colloquy, which help to clarify our position on this matter.

Mr. President, this Congress ought to restate its dedication to the goal of parity farm income. Our present parity price formulas should be replaced by parity income equivalent price formulas, which will show what farm commodities must sell for in order for farmers to earn a return on their investments comparable to the returns which are earned on investments in other businesses, and a return on the labor and management effort of the farm-owner operator and his family comparable to the return which is earned in other business enterprises of equivalent size and complexity.

I fully agree with the need for a realistic and meaningful new definition of "parity" that is expressed in a statement to the Committee on Agriculture and Forestry by Mr. William Rawlings, executive secretary of the Virginia Peanut Hog Producers' Association, and

chairman of the parity formulas subcommittee of the National Conference of Commodity Organizations.

Mr. President, I am taking great pains to point out this parity improvement possibility, because once again I want to say we should not go downhill on parity, we should go uphill and strengthen the concept.

Mr. Rawlings statement, which was in the nature of a report and recommendation by the parity formulas subcommittee of the National Conference of Commodity Organizations, is as follows:

The word parity was once, and is still intended to be, a concept of fairness and equity. The degree to which farmers are able to attain it has been considered to be a measure of the economic health and well-being of farm people in relation to the economic health and well-being of nonfarm people.

Today, however, it is becoming more and more apparent that "parity" as it is now figured, is a highly misleading concept extremely damaging to the economic health and prospects of agriculture. "Parity" expressions today are reckoned in terms of price. Yet price parity is an inadequate measurement of agriculture's economic well-being. Farmers are concerned about income—and particularly about net income.

Price parity as a measure compares to income parity about as a 19-inch yardstick compares with a 36-inch yardstick. Attainment of 100 percent price parity could still leave farm people far short of income parity. To put it in different language, attainment of 100 percent price parity would not yield farmers a return on their labor, investment, risk, and management comparable to the nonfarm returns for labor, investment, risk, and management.

We believe that agriculture should be able to obtain returns for their labor, capital, risk, and management that are comparable to the nonfarm returns for these factors. We would call this parity of income. We believe this is a fair goal for farmers.

We recognize that income to farmers is now lagging substantially behind nonfarm income in the returns for the four factors mentioned. Simple economic justice requires that they be brought more nearly into a reasonable approximation of parity.

Unless this is done, agriculture is certain to be downgraded, finally to a low estate. If substandard income continues, and prevents farmers from maintaining a level of living to which their labor and investment would otherwise justify, then agriculture will be unable to attract and hold the independent, self-employed farmer as we have known him throughout American history.

I wish to say at this point, Mr. President, before I return to this extremely important statement of Mr. Rawlings, that I have been talking almost solely in economic terms. It perhaps is true that the strongest argument which can be made for my viewpoint as to the bill is not in economic terms at all, but is in social and political terms.

What is at issue here is the preservation of the family farm. There is no institution in America which is more important in preserving and developing character, independence, and all the qualities which have helped build this country than the family farm. The family farm provides a wonderful social unit through which the child, while growing up, is able to work with his father and mother to develop thrift, hard work, and

other qualities so enormously important in later life.

I might say also, with respect to the welfare of this country, Thomas Jefferson stated the proposition very well long ago when he expressed the fear that we were going to lose the influence of the simple farmer in our public life, and that if we lost such influence it will be a severe loss. That influence has not always been on the side of the party or political philosophy I represent in Wisconsin. By and large farmers have been conservative, and by and large farmers have been Republicans, but they have believed very deeply and very strongly in a political and economic system of freedom.

A system of freedom depends on the attitude, training, and character of the people of the country. That is why I think it is enormously important to do all we can to stand in the way of and stop any bill which would do what the bill presently under consideration would do, namely, endanger the very existence of the family farm.

Mr. President, I continue to read from Mr. Rawlings' statement:

If continued, we believe substandard income returns would inevitably lead to the domination of agriculture by either Government or nonfarm business interests.

In short, we cannot emphasize too strongly, the urgency for shifting from price to income as the basis for measuring our degree of parity with the rest of the American economy.

We recognize that we cannot expect major gains in farm income—and a closer approximation of real parity—in a few months. Realistically, we are dealing with a matter of years.

There is no reason, however, why farmers and the full American public should not be told and reminded regularly of the true parity (or lack of parity) facts.

Certainly the American public has been told exactly the opposite. How many people in America recognize that 100 percent of parity would not give the farmer income equality or even close to it? One hundred percent of parity would put the farmer in a position of about 60 percent of income equality, so he would be far from income equality.

Public understanding of these facts, we believe, is an essential prerequisite for the kind of commodity programs producers need to improve their marketing and income positions.

The returns to farmers for their labor, we believe, should be comparable to the annual earning rate of nonfarm workers.

The returns to farmers for their capital investment, we believe, should be comparable to prevailing farm mortgage interest rates.

In addition, of course, farmers seek returns for their production expenses.

In 1956, the estimated gross farm income necessary to permit returns for labor and capital equal to such returns in other occupations would have been \$54.1 billion.

This would have included a return of \$5.9 billion on capital, a return of \$30.7 billion for labor, and a return of \$17.4 billion for production expenses.

The actual realized gross farm income for 1956 was \$34.4 billion, almost \$20 billion less than it should have been if agriculture had been in a reasonable parity position with nonfarm segments of the economy.

Obviously we cannot and should not expect to attain a multibillion-dollar increase in gross farm income immediately. We can, however, do two practical things:



1. We can provide for public recognition of the real extent of our departure from parity; and

2. We can begin to take appropriate steps to narrow the discrepancy.

The calculation or measurement of parity in terms of income is already authorized in the Agricultural Adjustment Act of 1938, as amended.

Mr. Rawlings concludes as follows:

We recommend that this existing authority now be utilized, as a substitute for present price parity calculations, and that income parity be used as the basis for calculations necessary in any commodity loan, storage, and price-support operations that are now, or may be authorized.

We recommend that proposed legislation be drafted at the earliest opportunity to accomplish these several purposes.

The approach to parity of income, we recognize, is dependent on the development and use of improved commodity programs. There is a need for farmers to obtain a greater degree of control over the marketing and inventory of their commodities so that supplies going to market more nearly balance effective demand.

Such programs are essential to upward adjustment in price-support levels.

Mr. President, if the farm bill which is before the Senate is passed without substantial amendment—and this is extremely important—it will mark the first successful reversal in 25 years of a fundamental economic reform initiated by the New Deal. Let me repeat that statement, Mr. President: If the farm bill which is before the Senate is passed without substantial amendment it will mark the first successful reversal in 25 years of a fundamental economic reform initiated by the New Deal, because it will mean the abandonment of the very heart and soul of the farm program, which did so much to take the farmer off his back during the 1930's.

It is just as significant as though the Congress should throw out the minimum wage and maximum hour law. Of course, the difference is that the farmer does not have the kind of organization labor has. The farmer does not have the political numbers labor has. However, to the farmer, the parity concept is just exactly as important as is the minimum wage and maximum hour law to the workingman. That is what is in question. That is what is being destroyed.

This bill would abandon the parity principle which has been the foundation of our agricultural policy for a quarter century and the goal of the American farmers' struggles since almost a generation before that.

It would turn away also from the principle that farmers should have the opportunity to control their marketings in accord with demand, in order to realize effective bargaining power in a market place that is rigged against them by the predominant power of big business, big finance, and big labor.

It is a fatal compromise with the dreadfully wrong policy which has been pursued with such painful results for family farmers by Secretary of Agriculture Benson during the past 5½ years.

If this bill is adopted without substantial amendment, it will plunge American agriculture swiftly back to the helplessness

and hopelessness that characterized the lot of our farm families during the 1920's and the early 1930's. In this sense it is truly and literally reactionary in the very worst sense of the word.

I choose that word very carefully, and with all due respect. I hope it does not offend Members of the Senate who disagree with me. The word "reactionary" has become a "smear" term. It should be used with great care. The bill would require our farm program to revert to the disastrous situation of our farmers in the 1920's and early 1930's.

The farmers of America were the first victims of the tragic depression of the 1930's. They have been the first and hardest hit victims of each recession since then.

If our farm families are now to have the fundamental safeguards and protections that were born in the wasteful misery and despair of the depression swept away, then surely every other group in our Nation must fear for their own fate.

If the rights of the farmers are destroyed, how long will it be before social security might be dismantled in a similar wave of reaction, and the old-age security of our elder citizens torn back down to the level of misery that prevailed in 1933?

If the farmers' economic protections are stripped away, how long will it be before investors and bank depositors will be left nakedly exposed again to the depredations of the swindlers and speculators?

How long will it take thereafter for the rights of collective bargaining, of minimum wage and maximum hours standards, to be destroyed for the working people of our mines and mills and shops?

It will be a long time, because there are 11 million Americans on social security. It will be a long time, because other Americans know that some day they, too, will be on social security. They have relatives on social security. They are acquainted with the social-security program. It will be a long time. I think the evidence is pretty clear. Yesterday the House Ways and Means Committee acted to provide a substantial improvement in social security—not enough, but a substantial improvement.

Think how unjust the situation is. The farmer is diminishing in numbers, and therefore diminishing in political influence and strength. It is difficult for him to obtain political and economic justice.

Mr. President, I am convinced that the significance of the attempt to dismantle the parity concept and the programs based on it to protect the economic security of the farmers is not lost upon the American people, neither in the cities nor in the rural areas.

The attack against the parity concept originates today right where it always did—among those who profit from the insecurity and helplessness in the marketplace that is the farmers' inescapable lot in the absence of effective protection through Government programs.

The same interests who fought against the establishment of farm programs 25

years ago, and who have fought against maintaining and adapting them to current conditions down through the years, are the real inspiration of this bill. Their spokesman and champion in today's battles is the Secretary of Agriculture, Ezra Taft Benson.

The economic interests and the philosophy that are behind today's attack upon the parity principle for farmers were not less opposed to other fundamental reforms initiated a quarter-century ago, after their own control over our national Government had led us to the ruinous debacle of the great depression. They have not dared to attack these reforms head-on. But their enmity for the programs to help America's ordinary citizens is as unrepentant and unregenerate today as it was when they fought with all their strength against the early farm program legislation, social security, minimum wage, maximum hours standards, Securities Exchange Commission, banking reform, and all the rest.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. ANDERSON. I have listened to only a small part of what the Senator has had to say, because I have been attending committee meetings.

I wonder how the Senator thinks Members of Congress who stood for 90 percent of parity are going to explain to their constituents that they have switched to 90 percent of the market price. Does the Senator believe there will be some difficulty in persuading the farmers, or are the farmers smart enough to know the difference?

Mr. PROXMIRE. The farmers are very smart. A Senator who has argued that he has always voted for 90 percent of parity and is proud of his record, and who now votes for the pending bill, which does not provide 90 percent of parity, but 90 percent of the market price over a period of 3 years, will have a difficult time explaining his position to the farmers.

Mr. ANDERSON. As the Senator knows, I have not been a supporter of rigid 90-percent price supports. I have supported flexible price supports consistently. I note in the bill a provision with reference to cotton, which allows a support price of 15 parity penalty points in case the farmer takes a larger acreage.

Looking at page 4 of the report I note that it suggests that under choice (B) it would go down to 60 percent of parity.

The able Senator from Vermont [Mr. AIKEN] is on the floor. I regard the Senator from Vermont as sound a man on agricultural programs and policies as I have ever known. The Senator from Vermont, in 1948, brought before the Senate the agricultural bill submitted by President Truman. It had been my privilege to submit the bill originally to President Truman. As the result of the rewriting of the bill, the so-called Aiken modification of the Hope-Aiken bill contained a flexible provision which ran from 60 percent of parity up to 90 percent of parity.



It was my belief—and it is still my belief—that the effective rate in the so-called Aiken bill was actually 72 percent of parity. At any rate, it would never have gone as low as 60 percent.

The Senator from Vermont and others were harshly criticized because of the 60 percent of parity provision. At that time I went to a conference at the White House to talk about an agricultural bill. The one thing that some persons demanded was the repeal of the Aiken bill by name, so that this horrible proposal of 60 percent of parity might be expunged from the books and that no one would ever refer to it again.

In the pending bill, I see a choice support level of 60 percent of parity. I wonder whether the Senator from Wisconsin believes this provision may be somewhat disconcerting to some person who said 60 percent of parity was a horrible thing.

Mr. PROXMIRE. It should be extremely disconcerting. I do not know how they will be able to live with it. Not only the farmers of Wisconsin, but also the farmers of New Mexico and Louisiana and Vermont, understand farm programs better, almost, than any other group. I believe they have long memories of the decisions Senators and Representatives have made. I believe the farmers will watch the vote very closely. Important as the vote will be, with falling farm prices and all, this legislative history is important, too.

Mr. ANDERSON. As the Senator from Wisconsin knows, I have favored flexible price supports right along. When the able Senator from Vermont introduced the bill, I praised his action. I have praised it since. I have never changed my opinion about his original proposal, and I do not intend to.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. AIKEN. When the Agricultural Act of 1948 was passed, the Senator from New Mexico was Secretary of Agriculture.

Mr. ANDERSON. When it was introduced.

Mr. AIKEN. Yes; when it was introduced. The Senator from New Mexico supported it.

Mr. ANDERSON. I did.

Mr. AIKEN. It was also supported by every major farm organization. It was vigorously supported by the National Grange, the American Farm Bureau Federation, the American Milk Producers Association, and the Farmers Union. Mr. Patton, of the Farmers Union, gave very strong testimony in support of the provisions of the bill. I might add that it was also supported in public speeches by President Truman. At Los Angeles he made a very strong speech, urging Congress to approve that bill.

Mr. ANDERSON. I believe I should add, if the Senator from Wisconsin will indulge me, that President Truman made a speech in Omaha, in which he referred to the modern and progressive farm legislation which the able Senator from Vermont had presented and which the Senate had adopted.

Subsequently, during the campaign, former Senator Barkley, who was the Democratic candidate for Vice President, and who was elected Vice President, also supported it. As a matter of fact, the Democratic Policy Committee in its report on legislative accomplishments praised that legislation.

I mention this merely to show the Senator from Wisconsin that some of us are especially shocked by the provision in the pending bill, because we have advocated flexibility for a long time. However, I am wondering what is going to happen to people who advocated rigid 90 percent of parity when they find themselves with 90 percent of the 3-year average price in the market place.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. ELLENDER. I wish to point out to my good friend from New Mexico—and of course he knows it—that the present price support formula will remain for cotton and for rice as it is now through 1960. The provision for a cotton price support of 15 parity points less than that established by the Secretary of Agriculture in return for being allowed to plant an additional 40 percent of the allotment is optional; it is not mandatory. If a cotton farmer desires to plant more acres for less support, he may do so; it is left up to him. It is not mandatory.

Mr. ANDERSON. I did not raise that question at all. I hope I can say, while the able Senator from Louisiana is on the floor, that any remarks I shall direct to the farm bill or to the report made on the bill by the able Senator from Louisiana, will have to be made by me with a recognition of the part the able Senator from Louisiana has played in trying to reduce the expenditures of our Government.

I have said to him in private, and I might as well repeat it in public, that the things he does at the meetings of the Appropriations Committee in trying to save money have resulted in the saving of millions of dollars to the American taxpayers. This might be just as good a place as any to put that statement in the CONGRESSIONAL RECORD.

I was referring to what would happen when the 90 percent of the 3-year average price in the market place provision goes into effect.

I am not too worried, as the Senator from Wisconsin knows, about giving more flexibility to the Secretary of Agriculture. If I had my way about it, Congress would pass a broad price-support bill with a sliding scale, which would leave full discretion to the Secretary of Agriculture within certain limits set by Congress. For example, if it provided a level of from 75 percent to 90 percent, he could set the support at any figure between those two figures. I am not worried about that particular provision of the bill, as I have said. I merely say that it must seem strange to others that the Senator from Wisconsin, is standing on the floor of the Senate and carrying the battle for a recognition of 90 percent of parity as against the concept of 90 percent of the sales price in

the market place, especially when there have been so many people who have so strongly supported 90 percent of parity for such a long time. I commend him for his zeal, even though I disagree with his conclusions.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. AIKEN. I might add that the times have changed since we enacted legislation in 1948, 1949, 1954, and even 1956. At that time, we had the support of all the farm organizations, and we undertook to write a new parity formula which would be a formula to end all formulas, because it would be adjusted to a moving base.

Three or 4 years after that formula was enacted into law it was virtually obsolete, for practical purposes. We had not counted on the coming of antibiotics, vitamins, cross breedings, and other developments, which have taken their place in the field of agriculture since that time.

For example, the poultry growers were then producing broilers in 16 weeks. A few years later they were producing broilers in 9 weeks. The cost had been reduced. The breaking point, instead of being 25 or 20 cents a pound, is now down to 8 cents a pound. No way has been found to write those new developments into the parity formula, or to write antibiotics or cross breeding into the formula. If it can be done, we have not found out how to do it, anyway. That is what has made the parity formula of today so unfair to certain commodities and has given great advantages to others. The present parity formula no doubt has worked hardship on the dairy industry. I think the dairy industry should be the first to take a step toward getting on to some other basis for computing its parity prices.

Mr. ANDERSON. Mr. President, will the Senator from Wisconsin yield, so that I may comment on the statement by the Senator from Vermont?

Mr. PROXMIRE. I yield.

Mr. ANDERSON. I merely desired to say that what the Senator pointed out was the reason why many times I have praised the Senator from Vermont for the forward looking approach which he took in the early agricultural legislation. At that time an attempt was made to recognize that the parity formula had to be a moving, changing device; that new processes were being developed; that alterations would have to be made; and that, therefore, it was desirable to keep the program on a sort of moving basis.

I know how he was criticized, because I received the same criticisms. Our names were linked in the agricultural legislation of 1948, because I had proposed it, and he had introduced it. He introduced the bill of a Democratic President in a Republican Congress, and saw it through the Senate. I praise him for it. I think it indicated his desire to try to devise a sensible program.

At the same time, I was associated with him in the work of drafting the 1949 bill, which did not repeal many of the provisions of the 1948 bill, but tried



to alter them a little, so as to relieve us from some of the criticisms which had been made. But in that discussion, there was much strong language about what the Senator from Vermont and the junior Senator from New Mexico had tried to accomplish by having a parity formula which was adjustable.

Mr. AIKEN. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. AIKEN. Although the Senator from New Mexico escaped from the office of Secretary of Agriculture with the fewest scars of any Secretary in the past 25 years, nevertheless he was almost accused of trying to starve the American people because he scraped the bottom of the grain elevators to get grain in order to keep our foreign commitments.

Mr. PROXMIRE. Mr. President, the Senator from New Mexico has put his finger on the issue which is before us in the bill. Knowing of his great competence and his tremendous experience in this field, I think his word should carry great authority. He pointed out that what the bill does is to abandon the parity principle. This is something which every farmer in America should realize.

Mr. President, the present assault upon the principle of parity is the first overt, head-on attempt to repeal the new deal law. It is not plausible to expect, if this attack succeeds, that it will be the last.

I serve notice that the people who live in our cities will not be blind to their own stake in the attempt which is being made to isolate the farmers so that their basic economic protections can be legislated away.

Within the past few days, I have received returns from a mail questionnaire. The returns strongly bear out what I have said about the fundamental sympathy for the rights of farmers which exists among city people. My eyes were really opened by this questionnaire. I was delighted and astonished by the answers which were made.

One of the questions asked was:

Do you favor a self-financing plan that will permit dairy farmers to tailor their production to demand so as to avoid price-depressing surpluses?

That question was asked in the city of Milwaukee. It was not asked of farmers, but of persons in the city of Milwaukee.

The question strikes at the very heart of the kind of program which dairy farmers—or any other group of farmers—need and should have to provide a solid foundation for economic security.

In tabulating the replies to this questionnaire, I have segregated all of the replies which have been received so far from the city of Milwaukee. I was frankly surprised—and tremendously pleased—by the tremendous expression of sympathy and support for the rights of the farmers which was evidenced by the replies from Milwaukee.

More than four out of five—81 percent—of the replies from residents of Milwaukee, selected at random, answered this question with a "yes."

Yes, Mr. President, the people of Wisconsin—on the farms, in the small

towns, and in the big cities alike—are in favor of a practical program to protect the rights of our farm families.

I am convinced that an overwhelming majority of the people of America will rise in startled indignation to rebuke those who now expose their basic hostility to the reforms which were incorporated into American life as a result of the lessons of the great depression. The parity principle for farmers is one of the pillars of the new outlook on the rights of the people of America which were adopted to secure us all against any repetition of the tragic failure which the depression represented.

Mr. President, the bill offers not one whit of help to the dairy farmers of America—not even in the shortest short run.

This is a real dump-dairy farm bill. Far from resulting in help, it would, on the contrary, result in an immediate and direct incentive to the creation of extremely damaging competition, both from the extra dairy production which would result from the huge oversupply of cheap feed which the bill would make inevitable, and from the huge increase, of about 40 percent, in the supply of cottonseed oil.

It gives no recognition to the fact that dairy producers are among the most poorly paid of any group in American agriculture. It gives no recognition to the fact that dairy producers are in serious immediate trouble, as a consequence of the cut in dairy support prices which was ordered into effect last April 1.

The situation in my own State of Wisconsin is particularly serious. Wisconsin farmers, contrary to the general situation in most of the other sections of the country, suffered a serious drought last spring. As a result, crop and pasture conditions are seriously below normal. On top of this, their prices are down.

Some of the people of America have, perhaps, less sympathy for the farm problem. I am afraid that that statement applies to some Senators, too. That feeling may be accounted for by the fact that farm prices have risen in the first 4, 5, or 6 months of this year. Now the prices are on the way down. But I think we should recognize that not all farm prices went up. Did the price of milk go up? The fact is that the price of milk stayed down, is down, and has gone down further as a result of the action of Secretary Benson on April 1 of this year.

It is true that some fruit farmers, some beef farmers, and some hog farmers have enjoyed relatively prosperous conditions. But certainly the dairy farmer has not had prosperity. The dairy farmer has been forgotten.

I feel deeply that the pending bill must be amended very substantially before it will be acceptable. I feel deeply that our agricultural economy needs immediate practical help in the way of strengthened farm programs, if we are to prevent the continued erosion of our American agricultural pattern of family-ownership and family-operation.

In consideration of the imperative needs I have outlined, I have prepared a number of amendments which I pro-

pose to call up for action when we are ready to begin voting.

I have already submitted an amendment to add a new title to the bill to establish a Dairy Products Marketing Act of 1958. This is the dairy program which I have worked out with farm leaders in my own State and nationally, and with other congressional leaders. In my opinion, this represents the kind of dairy program that dairy farmers want and which will provide a workable and long-range solution to the problems of the dairy industry. Incidentally, it will also save a substantial amount of money for the American taxpayers.

Mr. President, I have also submitted an amendment to provide for a self-help dairy stabilization program. This amendment is not to be confused with my first one. This amendment provides for a plan which has been developed, after years of careful study and discussion, by leaders of dairy producers organizations. In fact, the amendment is identical with a bill introduced earlier in the session by the Senator from Minnesota and my good friend and colleague from Wisconsin [Mr. WILEY] and myself.

Last night I submitted four other amendments; they would set up an REA-type program of loans to farmers' associations, in order to provide for processing and marketing enterprises; to provide for distribution of additional food supplies, through the school-lunch program and State and local welfare agencies; to provide a national security and safety reserve of agricultural commodities; and to authorize the President to initiate negotiations with other nations for the establishment of an international food and fiber reserve program.

Mr. President, I am informed that additional amendments will be offered by other Senators. For my part, I welcome every effort that can be made to make constructive improvements in the bill.

To my colleagues who wish, as I do, to amend the bill so that it will make a constructive improvement in our farm programs, I make this pledge: I will support every sound and constructive amendment that is offered if it will help improve our farm programs in the direction of strengthening farmers' bargaining power, protecting the prices farmers receive for their products, and improving farmers' incomes.

I wish to make it clear, especially since I have been speaking about the wool amendment, that I intend to support that amendment enthusiastically. I think the wool program is a good one. My only reluctance—and in the past I have been reluctant to have the wool bill passed separately—is because I think all farm commodities should be dealt with together. I think that is essential to political survival. But I believe the wool bill belongs in this omnibus bill; and certainly an adequate dairy bill belongs in it, too.

I have always upheld, as a central principle of my stand on farm policy, that the farmers of America must stand solidly together. Unless the milk producer, the cotton farmer, the wheat farmer, the corn-hog producer, the cat-



the rancher, the wool grower, and the sugar producer fight shoulder to shoulder, in the long run each will be doomed to fall separately.

Mr. President, one of the most eloquent and convincing statements of this principle that I have ever heard was made in this Chamber, 4 months ago, by the distinguished senior Senator from Georgia [Mr. RUSSELL]. His statement was made during the debate on a resolution which would have prevented any reduction in the price supports for dairy commodities during the present marketing year. The Senator from Georgia spoke in opposition to that attempt by representatives from the dairy States to "go it alone" in the hope that a resolution affecting dairy commodities alone might escape a veto by the President.

I have before me the CONGRESSIONAL RECORD for March 13, 1958. The record of that debate appears on page 3842.

Mr. President, at this time I wish to read from the speech the Senator from Georgia [Mr. RUSSELL] made at that time. But, first, let me say that, as one who supported the dairy amendment, I was convinced that probably that amendment would be adopted; and I believe it would have had an excellent chance of being signed by the President. I believe the speech made on that occasion by the Senator from Georgia [Mr. RUSSELL] was a key speech. As he was making it, we could almost see the votes falling away.

After the Senator from Georgia concluded his speech, I spoke to him, and said to him that it was the most effective speech I had ever heard since I had been a Member of the Senate. In fact, Mr. President, if the people of Wisconsin permit me to remain here a while longer, I believe that speech by the Senator from Georgia will still stand out as one of the most effective speeches to be made in the Senate in many, many years.

I read now from that speech by the Senator from Georgia:

I wish to be perfectly frank with the Senator as to why I ask my question. This procedure appears to be a very nice way to split the agricultural interests of the country into pieces. It appears to be a very nice way to place us in a position where we cannot ever get any general farm legislation. If we follow this practice of a single resolution embracing all the commodities, and then take up for consideration and pass a nearly identical resolution for a specific commodity, in a separate piece of legislation—

A little later he said:

It seems to me important that we have had one record vote. What we are trying to do now, Mr. President, appears to be dangerous. The only reason I consider it to be worthwhile to bring the matter to the attention of the Senate is that I feel this procedure simply gives a number of Senators an opportunity to eat their cake and have it, too. They can vote against the general farm bill and can go back to tell their constituents, "Oh, I voted against that general farm bill which would have kept prices up." But they can also go to the only agricultural industry they have in their States, to the dairy farmers, and say, "I helped to have passed the bill for you to raise your prices and hold them up."

The Senator can go into the city the same night and make a speech setting forth that

he fought against increasing all agricultural price supports.

I think if we are going to follow this kind of policy simply to give some Senators an opportunity to eat their cake and have it, too, we are planting a seed which will completely destroy any hope of enacting any general farm legislation.

The Senator from Georgia concluded by saying:

Mr. RUSSELL. Indeed that may well be. Not only that, it will tear the groups which should be interested in agriculture to pieces. Every Senator knows that, as a general proposition, one agricultural commodity does not have sufficient strength to secure passage of general legislation by the Senate.

Mr. President, the situation we now face is just the reverse of the one which was before the Senate at the time when the Senator from Georgia [Mr. RUSSELL] made that outstanding speech. Today, there is before the Senate an omnibus farm bill which excludes the dairy farmer and the very important area of our farm economy that is embraced by dairy farming.

However, in a very large number of the States of the Union, dairying is the No. 1 cash crop. But the pending bill, as it now stands, would "sell the dairy farmer down the river," and he would be forgotten.

I believe that in all good conscience the Senators who, last March, voted against the dairy proposal—and at that time they voted against it because they felt that dairying should be dealt with, along with all other phases of agriculture, in a general farm commodity price freeze—now should consider whether it will be consistent for them to vote to exclude dairying from the program under the pending bill.

Mr. President, I conclude, as I did last night, with apologies to the distinguished occupant of the chair, to my other colleagues, and to the fine employees of the Senate, all of whom have been detained at great length by this speech. It has been an unusually long speech, particularly for a freshman Member. I have made it with great reluctance; but I have made it because I felt I had to make it. I have made it because I feel this issue very, very deeply. It affects tremendously the people of Wisconsin who are on the farms, the people of Wisconsin who live in the small towns which depend on the farms, and the people—both those on the farms and those off the farms—all over the Nation, because the bill abandons the basic parity concept which is the backbone of the farm program this country has adopted.

I cannot, in good conscience, vote for the bill. I must oppose it with all my strength and all my heart, unless the bill is seriously and substantially modified and amended.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CHURCH in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Without objection, it is so ordered.

Mr. BENNETT. Mr. President, I call up my amendment designated 7-23-58-C, which is an amendment in the second degree to the amendment, as modified, offered by the Senator from North Dakota [Mr. Young], which is now pending, and ask that my amendment be read and made the pending question.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In the amendment of Mr. Young it is proposed to insert at the proper place the following:

(c) Section 708 of such act is amended to read as follows:

"SEC. 708. The Secretary of Agriculture is authorized to enter into agreements with, or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing and conducting on a National, State, or regional basis advertising and sales promotion programs for wool, mohair, sheep, or goats or the products thereof. Provisions may be made in such agreement to obtain the funds necessary to defray the expenses incurred thereunder through pro rata deductions from the payments made under section 704 of this title to producers within the production area he determines will be benefited by the agreement and for the assignment and transfer of the amounts so deducted to the person or agency designated in the agreement to receive such amounts for expenditures in accordance with the terms and conditions of the agreement. No agreement containing such a provision for defraying expenses through deductions shall become effective unless—

"(1) the Secretary conducts a referendum, over a period of not more than 6 consecutive days, of the producers who, during a representative period determined by the Secretary, have been engaged, within the production area he determines will be benefited by the agreement, in the production for market of the commodity specified therein, to determine whether they approve or favor such agreement;

"(2) at least 33 1/3 percent of such producers participate in such referendum;

"(3) at least two-thirds of the total number of producers, or two-thirds of the total volume of production, as the case may be, represented in such referendum, indicate their approval or favor."

Mr. KEFAUVER. Mr. President, once again we are faced with the responsibility of acting on proposed legislation which will vitally affect the welfare of our farming population and indirectly the consuming public. The Senate has previously acted in the present session to protect the farmers against disastrous declines in their income but was met with a veto by President Eisenhower. The bill before us is perhaps the most important single piece of proposed legislation to come before Congress affecting Tennessee, and deserves the most serious consideration. I sincerely hope that we will be able to pass the bill in a form in which it will be signed into law.

No one will pretend that the bill is designed to solve all of the problems of agriculture. In the first place, the bill deals only with a limited number of



commodities: cotton, rice and corn. I realize fully that other producer groups are in need of remedial legislation, and I am in sympathy with their desires. However, in view of the necessity of obtaining a Presidential signature and the desperate need of the producers of cotton in particular, I hope that the other commodities can be treated in separate legislation in which their problems can be fully met.

As a representative of a State which is a major producer of cotton, I am greatly concerned with the status of cotton in our economy. Cotton farmers in my State of Tennessee have faced the dual problems of limited acreage, which prevents the small farmer from having sufficient acreage to make an adequate income, and price supports which threaten to price domestically produced cotton out of the market.

I would like to emphasize, Mr. President, that Tennessee is primarily a State of small cotton farmers. There are few large cotton farms, the overwhelming preponderance being under 15 acres. These small farmers have been consistently reduced in their acreage, to the point where they shortly will have to cease operations entirely. Even with high price supports, such operations are most difficult, since costs are proportionately higher as the acreage is reduced. The only salvation for these farmers is the right to increase their acreage. Unless the bill is passed the minimum acreage allotment would be 5 acres or the highest acreage planted in the previous 3 years, whichever is smaller. The bill will provide a minimum of 10 acres or the 1958 allotment, whichever is smaller. It is estimated that this measure will add 21,328 acres to allotments of the smaller farms in Tennessee. Although such an increase is insufficient to fully meet the needs of our farmers, I am certain it is a step in the right direction.

Section 101 of the bill provides the cotton farmers with two alternatives, giving them a flexibility and choice which will allow them to meet their own peculiar economic problems. The farmers may choose to accept the acreage allotment and price supports under existing law, or they may increase their acreage by 40 percent and receive a price support reduced by 15 percent of parity.

One of the difficulties cotton farmers have faced relates directly to the impact of the price support program on the use of domestically-produced cotton both here and abroad. With high price supports and therefore high market prices, domestic cotton has not been able to compete with many synthetic fibers in spite of its superior characteristics. In the world market American export cotton has been put on a competitive basis only because the United States Government has absorbed the difference between the support price and the market price. With many of the larger cotton farmers willing to expand their production at a lower price, domestic producers will be able to compete in foreign markets without the large amounts of Government support now necessary.

The emergency nature of the situation for the cotton farmers of the Southeast, including Tennessee, is indicated by the

reductions in acreage which will occur if this proposed legislation is not enacted. Acreage allotments for 1958 totaled 17½ million acres. With no new legislation, this acreage allotment will be reduced to approximately 14 million acres. For farmers in Tennessee this will mean a reduction from 575,762 acres to 466,018 acres, or about a 20-percent reduction. The bill under consideration will result in reductions under the basic allotment formula, the national acreage allotment being 16 million acres. It is estimated that Tennessee will receive an allotment of 529,684 acres. While not enough, this is certainly an improvement over the situation which will result if we fail to take action now.

Much hope was held out for the soil bank as a means of helping the farmer. The result, however, has been economic stagnation in many of the small towns and villages in Tennessee which are primarily dependent on agriculture. With reduced acreage, the farmers have bought less fertilizer, gasoline for their tractors, and equipment to operate the farm. Additional acreage will tend to restore prosperity to our rural communities and raise the general level of economic activity.

I recognize that there are many differences of opinion on the proper method of promoting farm prosperity. I think it is clear that we cannot afford to return completely to a free-market situation in which farmers are unable to control their production or their prices. However, in my opinion, it is necessary to give our cotton farmers more opportunity to adjust their production and prices to the market conditions which prevail from year to year. For that reason, I enthusiastically support this bill. It will be a means of staving off complete elimination of many of our farmers from agriculture, and will help to restore a measure of prosperity to them. I hope the Senate will pass S. 4071.

Mr. President, I have always voted in favor of legislation to help the dairy farmers and other groups of agricultural producers. We know that if we add too many amendments to the bill presently under consideration there will be difficulty in passing the bill in the House, and it may meet a Presidential veto. I hope we can pass this important piece of proposed legislation, since it is very necessary and of vital importance to the cotton farmers.

Mr. President, the farm groups in my State—the Tennessee Agricultural Council, the Farm Bureau, and others—are strongly in support of the bill. I certainly hope it will be passed.

Mr. JOHNSTON of South Carolina. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, first I wish to compliment the distinguished

junior Senator from Wisconsin [Mr. PROXMIRE] for his very fine presentation relating to the pending bill, Senate bill 4071, the proposed Agricultural Act of 1958. I believe that the Senator from Wisconsin presented statistical information and economic analyses which were very revealing as to the inadequacies and weaknesses of the proposed legislation. He has demonstrated a knowledge of agricultural economics and agricultural policy which is reassuring to his colleagues, and I am sure is very gratifying to his constituents.

Mr. President, in my considered opinion the legislation before us, S. 4071, the proposed Agricultural Act of 1958, is unbelievably bad, and I believe it could be economically very dangerous.

It is unbelievably bad because, for the sake of expediency in trying to solve a few problems, it threatens to create far more problems for America's family farmers, for the Congress, and for the taxpayers in years to come.

It is economically dangerous, because the long-range implications to all commodities are being deliberately glossed over under the guise of temporary relief to a few commodities, and too few people have taken the time or trouble to really analyze what this legislation would actually do.

It is not just merely simple legislation to prevent a cut in rice acreage, or avoid further cutbacks in cotton production, or merely to satisfy the acreage needs of feed-grain producers.

It is far more than that. I fully recognize that there is a need for adjustments in cotton acreage, and undoubtedly in the acreage of other commodities. It should be noted here that if there is a need for cotton acreage adjustment, all that is required is a joint resolution by the House and Senate, which would be signed by the President, to extend the acreage which is available this year into the next crop year. That could be done, and it might very well be a practical alternative so far as the acreage needs of cotton producers are concerned.

I am not unmindful of the problems which face certain cotton producers with respect to the need for additional acreage, and I would be perfectly willing to support legislation which would answer that need. I believe there are problems in the cotton-producing areas which require the attention of Congress. I believe there are needs and problems in the rice-producing areas which require the attention of Congress. I wish to cooperate all the way in the accomplishment of desirable programs for producers of rice and cotton. But, as I shall point out in my remarks today, I believe that the proposed legislation goes much further than meeting those basic needs. Indeed, the proposed legislation would abolish some fundamental principles of agricultural policy which have been with us for about 20 years.

Behind these facades, in a fundamental sense it abandons the very basic principles upon which our farm program has been built over the past 25 years.

During those years there have been several historic farm policy debates in this great deliberate body. Primarily, these debates have been over differences



of viewpoint as to the proper level of price protection for our agricultural economy, and differences in legislative philosophy over whether such protection should be established at certain fixed levels in return for farmer compliance with production adjustment efforts, or whether they should remain flexible under a sliding scale—based either on formula of available supplies or on the complete discretion of the Secretary of Agriculture within certain criteria established by law.

In the main, such debates involved sincere differences of opinion as to the best means to the same end objective, the end objective being full parity income for farmers, preservation of the family farm system, and the realization for our agricultural producers of equality of treatment in the economic market place.

Never, to my knowledge, during these many debates, to which I have alluded were the fundamental objectives of our basic farm policy seriously challenged—or openly repudiated.

Never, until now, has this administration or any past administration, since the parity concept first was written into law, openly abandoned the objective of seeking to bring farm prices and farm purchasing power into closer relationship with farm costs and the levels of the rest of our economy.

I repeat that it has been a source of pride to every Member of Congress and to the American people that we have on the statute books as the basic objective of American agricultural policy the concept of parity, which is another word for equality of agricultural producers with the rest of the economy.

Whatever differences may have existed between supporters of higher levels and lower levels of price supports, all swore allegiance to the fundamental parity concept long accepted as a matter of public policy and still on our statute books as a key objective of farm income protection.

Indeed I know of no candidate for office, including the present occupant of the White House, who has ever said anything else but that he supported the concept of full parity for agricultural producers; in other words, supported the basic act of 1938 and the preamble to that act, which outlines the whole philosophy of agricultural legislation.

Parity has become established as the accepted measuring device for comparing how agriculture is doing in relation to the rest of our economy. It is agriculture's economic yardstick. Parity prices merely relates the price the farmer receives for what he sells to the price he must pay for what he buys.

That is a reasonable proposal and a very acceptable economic concept. Parity income relates the amount of income required from agriculture to provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful occupations. Such a concept is as American as the Fourth of July.

The concept was enacted into law as public policy in the original Agricultural Adjustment Act of 1933. When that act

was invalidated by the Supreme Court on other grounds, on January 6, 1936, Congress made clear its continuing intent by enacting new sections of the Soil Conservation and Domestic Allotment Act on February 29, 1936, declaring it the policy of Congress to secure "reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per persons on farms and that of the income per person not on farms that prevailed during the 5-year period August 1909 to July 1914, inclusive, as determined from statistics available in the United States Department of Agriculture, and the maintenance of such ratio."

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield to my friend from Oklahoma.

Mr. MONRONEY. I thank the distinguished Senator from Minnesota for his championship, continuing over many years, of the cause of parity income for farmers. It is often hard for people to understand that we are not talking about any special privilege when we refer to parity. I hope the explanation the distinguished Senator from Minnesota is making will be noted by some of our industrialists and some of our bankers, who oppose this program but think there is nothing wrong with adjustments in return on investment to reflect changes in the cost of living.

In trying to explain what may appear to be a very complicated matter, it might not be amiss to oversimplify it by saying that if a bushel of wheat in 1914 would buy a pair of overalls, then a bushel of wheat should still buy a pair of overalls for the farmer. If a pound of cotton would buy a gallon of gasoline at that time, it should still buy a gallon of gasoline today.

We are not talking about any special privilege. We are trying to keep the farmer's income properly related to the cost of the things he buys. No one in his right mind can fail to understand that it is necessary to maintain the parity concept in farm prices in order to help equalize the farmer's cost of doing business.

Mr. HUMPHREY. The Senator from Oklahoma has contributed a very cogent and informative explanation of what we are attempting to do here by his description of a parity price or parity income policy.

I thank the Senator from Oklahoma. He has always been in the forefront of the struggle in Congress for better and more equitable farm legislation. That is what we are trying to do now, to provide that kind of legislation. That is the purpose of my remarks.

I wish again to express my thanks to the Senator from Oklahoma for his participation in the discussion and for his stating the parity principle in words that everyone can understand. Nothing is very complicated once we expose it to the light of day and have someone state it in simple, yet profound, words.

The objective of the farm policy, with the policy declaration of Congress, still stands on our law books. It has never been repealed.

In fact, I know of no time since 1933 when a real effort has been made to repeal it, except now. For the first time we are faced with a basic revision of agricultural policy. For the first time in more than 25 years we are being called upon to revert to the pre-1930 period of agricultural economic policy.

I wish my colleagues to know that that is what they are going to be called upon to vote on, regardless of all the formulas in the bill, regardless of all the averages in the bill. What it really boils down to is that for the first time Members of the Senate are being asked to repeal the parity concept for agricultural production. There can be no doubt about it. As I said last night, the Department of Agriculture has been very clever. They have not said that this is the Department's bill. They say it is acceptable to the Department. The Department spokesmen have said that many of the principles in the bill are principles of a great farm organization, the American Farm Bureau Federation. When someone is critical of the Department of Agriculture for endorsing the repeal and repudiation of the parity concept, they say, "Oh, we do not endorse it. It was recommended by the committee. We accepted it. We went along with it."

In fact, departmental spokesmen have said openly that they know the parity concept is being repudiated and repealed by the express language of the bill. However, they say, these were the recommendations of a farm organization, not the recommendations of the Department. I must say that the Department recommended this year a lowering of flexibility with respect to certain scales of the price supports. Instead of 90 percent to 75 percent, they recommended 90 percent to 60 percent. In some instances they recommended 90 percent to 0. However the parity concept would be maintained, as would the promise of full parity.

Mr. President, we have before us a measure which, when it finally goes into effect in the third year, will base price-support levels not upon parity, not upon what is a fair relationship between what is the cost of goods which the farmers produce or the price of goods which farmers must produce, as compared with the price of goods which farmers buy; it will base price supports instead upon the average price of the last 3 years, less 10 percent.

So, if the price of a particular commodity for the last 3 years averaged, let us say, 60 percent of parity, the support levels which would be offered by the Department of Agriculture for a farm producer would be 10 percent less than 60 percent of parity, or 50 percent of parity, but never stated in parity terms.

There is some trick phraseology. I said last night that one of the factors which psychologists and psychiatrists note is what are called conditioned reflexes. A conditioned reflex is an automatic response to a particular situation



or to a particular sound or set of actions. A conditioned reflex is spontaneous.

For a long time the American people have been told that there are two kinds of price supports—flexible and firm. In all that time, the phrase "90 percent" has been used. It is either "75 to 90 percent" or "90 percent" or "60 to 90 percent." But the phrase "90 percent" has been used again and again and again. But it was always "90 percent of parity" or 90 percent of true equality in the economic market place.

The bill before us contains the term "90 percent," but it is not related to anything with which it was associated in the past. The bill says that for certain commodities the price-support levels will be 90 percent of the average market price for the past 3 years. The average market price, in the instance of feed grains, as I shall point out, could be as low as 55 or 60 percent of parity, if it is calculated on the parity principle.

That is the support level which the Government would offer, and the price would be 10 percent less than 55 or 60 percent, a parity price which was already 40 percent less than being fair.

I want our friends to know that 100 percent of parity means an "even Stephen" break for the farmers; 100 percent of parity is the same sort of thing which a wage earner gets when he has an escalator clause in his contract. Many wage earners work under union contracts with management, contracts which have had wages negotiated at from \$1.75 to \$2 an hour. If the cost of living goes up 1 percent, the contract wage is calculated so that the worker's income then goes up, let us say, another few cents an hour, to keep the worker's wage at parity or equality.

The same is true of management. Management says that when wages go up, when the cost of operation goes up, when taxes go up, when advertising costs go up, it is necessary to have a little more money for its commodity. That is what management calls parity. Believe me, they get it.

The steel industry knows how to get its parity. The steel industry is the greatest industry in America. Whenever the managers of that industry announce a price increase, what do they do? They tell the American people that the price increase is justified because the costs of operation have risen. That is the way the steel industry interprets equality of treatment. The steel industry says it cannot pay more taxes, more rent, more interest on the money it needs to expand its business, more wages, without raising the price of its finished product. The price of the finished product is what the industry calls the parity price for steel.

Similarly, it is what the maritime industry or shipbuilding industry calls the parity price for shipping. By the way, Mr. President, fellow taxpayers, and constituents, when the United States merchant marine is provided for by Congress, it is provided with 100 percent of parity. We give subsidies to our shipping industry. I am not opposed to that. I simply want all those who have been feasting at the public board to admit it. We need a

merchant marine. We need one just as we need the farmers of America.

One of the greatest elements of strength in America today is the family farm. One of the greatest threats to the future is the corporate farm. The only difference between the American corporate farms and the collective farms of the Soviet Union is that in the Soviet Union the government owns the farms; here a handful of people own them. But both types are big, massive, mechanized, and corporate. One type is collective; the other is corporate. One type is public ownership; the other is semipublic ownership.

I want the RECORD to be perfectly clear that I have not yet heard a single Member of Congress advance the proposition that the shipping interests of America ought to receive from the Government the average 3-year market price for their shipping, less 10 percent.

I have not heard anyone say that the steel companies of America ought to receive the average 3-year market price for their product less 10 percent. I have not heard anyone say that the way to treat the railroads of America, which recently had a bill passed by Congress which provides hundreds of millions of dollars of guaranteed loans, is to take the average income of the last 3 years of "lousy" business, knock off 10 percent below that, and say that that is fair.

But that is exactly what the present proposal intends to do to the farm producers of America. I am here to give some news. I do not intend to let it happen, if I can help it.

On February 16, 1938, Congress enacted a new Agricultural Adjustment Act strengthening and broadening the Soil Conservation and Domestic Allotment Act—and providing the basic legislation for all of our price support programs since that date. It has been amended frequently since, but it is still our basic farm legislation—and its basic purposes and policies stand unchanged today.

It declared it to be the policy of Congress to assist farmers "to obtain, insofar as practicable, parity prices for such commodities and parity of income," and then defined parity as applied to income as "that gross income from agriculture which will provide the farm operator and his family with a standard of living equivalent to those afforded persons dependent upon other gainful occupation."

I hope no member of Congress really thinks that farmers ought to have a lower standing of living than other people have. Here, for the first time in 25 years, we are contemplating the enactment of legislation which will repeal the objective of every public law, promise, and pledge which Congress has enacted or given for 25 years—for a quarter of a century—that a farm operator and his family are entitled to a standard of living equivalent to that afforded to other persons dependent upon their gainful occupations.

My colleagues will have some fun trying to explain this one out on the stump this fall, because I am going to be around

telling the folks, too. My colleagues will have some trouble explaining to farm families why they thought those families ought to get 10 percent less than a bad price.

While limes may be selling at 400 percent of parity, corn has been selling in my State at 58 percent of parity. I shall not vote for a bill which will let it be sold for 10 percent less than that.

We do not need to let this happen, regardless of the differences we may have over what are fair levels of price supports. I hope we will not pass a measure which will repudiate the whole doctrine of parity. We can cure the condition in the bill simply by an amendment to each section of the bill, which will make it quite clear that while the percentage of price supports may be lower, the concept of parity is still the objective of American agricultural policy.

I am not arguing whether the program should be 60 percent, 70 percent, 80 percent, or 90 percent of parity; but certainly we should remain true and faithful to the standard and the objective of American agricultural policy since 1933.

Mr. President, one major country in the world has repudiated the concept of parity; it is Soviet Russia. But certainly I never thought Congress would depart from the parity concept, in providing for the agricultural policy for the United States.

Of course, one of the glaring weaknesses of the Soviet Union is its agricultural setup.

On the other hand, in Western Germany, 100 percent of parity is an objective and a reality for most farmers.

In France, 100 percent of parity is an objective and a reality for most farmers.

In Great Britain, 100 percent of parity is an objective and a reality for most farmers.

In Canada, 100 percent of parity is an objective for farmers.

In every civilized country in the Western World, including the countries of Latin America and the countries of Western Europe, the government has a policy of seeking parity of income for farmers.

Only one country, one empire, does not have the parity concept; Nikita Khrushchev and the other boys in the Kremlin apparently dashed, a long time ago, the hopes of the Russian farmers for parity. However, Mr. President, I do not wish to get from such a source my inspiration in regard to agricultural philosophy; oh, no. Furthermore, the whole collective system of agriculture in the Soviet Union has broken apart at the seams, and today that is a weakness in the Soviet structure which holds the Soviet Union more to a course of nonbelligerency than does anything else.

Mr. President, the quotations I gave a few minutes ago were from the Agricultural Adjustment Act of 1938—sections 2 and 301 (c) (2), United States Code, section 1281.

During all the conflict over fixed supports or flexible supports, never once was it argued that we should abandon



parity as our standard of measurement for whatever program we accepted.

I can imagine what would have happened in this country in 1956 if Dwight Eisenhower and Ezra Benson had said, "We oppose parity." If they had said that, just imagine what would have happened at the ballot boxes. But instead, they said, "Do not vote for Mr. Stevenson; he does not favor as much parity as we do."

In the elections of 1952, 1948, 1944, 1940, 1936, and 1932, the parity concept was the one which was favored. Even Herbert Hoover was in favor of the parity concept; and he made a valiant effort to fulfill that pledge and promise.

But at this time, in the year 1958, after parity platforms have been announced, after candidates have run for office, after some of them have been elected, and after organizations have taken their stand in favor of the parity concept and have told the American farmers and communities that they favor it, the Congress is asked literally to dig a grave for parity and to bury it alive.

Mr. President, in the past our country has had firm support programs. The United States has also had flexible support programs. It has also had discretionary support programs. But all of them have been based on the original parity concept, as provided in the law.

There have been arguments and serious debates over the proper formula to use in arriving at our "parity" measuring device. Attempts have been made to improve the parity formula, and I believe it has been improved; and from time to time changes have been made in the parity formula. But we have never abandoned the principle. We have had different procedures for the purpose of achieving the objectives. Sometimes we have proceeded by means of crop loans; sometimes, by means of acreage reserves; sometimes, by extensions of credit; sometimes, by means of the Soil Bank. We have had a host of means and methods, to be used to attain the parity objective. But we have never repudiated that objective.

Yet that is what the pending bill proposes that the Congress provide. That is why I say the bill proposes the greatest change in agricultural policy since 1933, for it calls for a reversal, and for a return to the policy of the 1920's.

Contrary to the very policies of the basic law which this bill amends, for all intents and purposes the bill abandons the parity concept, and accepts in lieu thereof 10 percent less than the free market.

No longer would price and income protection programs for the commodities covered, at whatever level and to whatever degree Congress, in its wisdom, may determine should exist, have any relationship to the changing costs of the things a farmer must buy, changing taxes, interest, and other prices he must pay, or changes in the rest of the economy.

Instead, any Government protection afforded the farmers would be under what he could normally expect to get in the free market—10 percent under.

Instead of having farm programs designed and directed to bolster the free market, they, themselves, would become a downward drag on the free market—with an automatic downward escalator of less and less protection for the farmer in the years ahead.

Mr. President, one of the great achievements of the support program of the past was that it maintained high standards. But do my colleagues realize that recently, when the Secretary of Agriculture announced that he would buy some turkeys for the school-lunch program, in order to stabilize or improve turkey prices, the very fact that the announcement was made resulted, in just 1 day, in an increase of more than 2 cents a pound in the price of turkeys. In fact, that increase occurred before the Secretary of Agriculture even bought one turkey. Do my colleagues also realize that if, tomorrow morning, the Secretary of Agriculture were to announce that \$2 a bushel would be paid for wheat, solely as a result of the announcement, the price of wheat would rise? Why? Because no other market compares to the market afforded by the Government of the United States. The purchases for the armed services and the purchases for our strategic reserves, in a world of tension, make the Government of the United States the greatest single purchaser the world has ever known. So when the head of the Department of Agriculture states the price he will pay, the entire market takes on a new look. On the other hand, when the Secretary of Agriculture or any other leading official of that Department says prices are too high, down they go.

Mr. President, can you imagine how long the Secretary of Commerce would remain in office if he were to advocate that stock market prices come down? In that case, certainly there would be a march on Washington—by some of the best-dressed men in the Nation, either with vicuna coats or without vicuna coats. To Washington they would come, and they would go to the White House. They would park their coats outside; and then they would go inside the White House, and would say to the President, "Mr. President, in the Commerce Department you have a man who recommends that stock prices be 10 percent lower than the market prices. Get rid of him before you ruin the country."

And I would agree with them; if any Secretary of Commerce were to say such a thing, he should be fired.

Mr. President, can you imagine how long a Secretary of Labor would remain in office if he were to state that he thought minimum wages were too high, and should be reduced; or if he were to state that minimum wages paid under Government contracts should be reduced? A Secretary of Labor who made such a statement would not remain in office long enough to take a second breath before he said, "I resign." He would be gotten out of town faster than the Russians launched the sputnik.

But Secretary of Agriculture comes before certain of the congressional committees at a time when, for 5 years, the agricultural economy has been decreas-

ing, agricultural indebtedness has been rising, the number of persons on the farms has been growing smaller and smaller every year, and the number of farms has been growing smaller and smaller every year; and under those circumstances the Secretary of Agriculture testifies, before the congressional committees, "I think agricultural commodity prices are too high. We must do something about the situation. We must get rid of the parity concept, and we must get down to the market-price level. In fact, the market price is too high, and we shall have to cut it by 10 percent. And after that, there will have to be a further cut in price, before a depression psychology sets in."

Mr. President, I am told by some persons that such a philosophy can be made popular. Lately, I have heard that the Department of Agriculture and the Secretary of Agriculture have taken on new popularity—that they are popular in the cities, because the urban consumers feel that it is good to have lower agricultural-commodity prices.

Mr. President, I can tell you how the Secretary of Labor can be made popular in the country: Reduce labor prices. That would make him popular in some quarters. And I can show you, Mr. President, how to make the Secretary of Commerce popular, too, with the folk who have already taken a licking on stock prices. Just have him say he thinks everybody else should take a loss.

One of the greatest public-relations campaigns America has ever known has been underway in an attempt to build up the policies of the present Department of Agriculture. I say, most respectfully, that, if the United States information program were half so effective abroad, in being able to combat Communist subversion and in being able to carry the message of American democracy to peoples in other lands, as the Madison Avenue experts have been in describing the policies of the present administration at home to the American people, we would have the cold war won.

It has always amazed me how we can have such an ineffective overseas propaganda program and such a very effective administration propaganda program at home. I hope this is no indication that we are bigger "suckers" than others. I do not think so. I think the truth is that the efforts of the experts are spent on fooling the American people, when it would be well if we would try to have the experts tell the truth to the American people and people abroad.

About an hour ago I had a reporter ask me, "Senator, is it not true that word has gone out that no one should say anything against Secretary Benson because his political strength is considerably better now than it has been?"

I said, "Well, the first thing about that is it is a part of the propaganda campaign. A part of the propaganda is to make the American people, and even Congress, believe that Ezra is to be untouched, that he is already popular, that he is one of the great political assets of the administration."



That may be. The administration is pretty short of assets. Maybe the administration can call him an asset.

Mr. President, I do not want to be personal about it. I happen to think Mr. Benson is a fine, decent, wholesome man, of good morals and character; but I disagree with his philosophy of government, and I disagree with his philosophy of agricultural economics. That is an honest disagreement. He thinks he is right; I think I am. I am going to show that while he may think he is right, the results of his policies have been exceedingly destructive.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MONRONEY. We all can, as I do, respect the sincerity and the moral character of the Secretary of Agriculture, but we can sometimes doubt very seriously his judgment and his assessment of the facts. As the distinguished Senator knows, and as he has told the Senate so many times, when the Secretary points the finger of scorn and of blame at the American farmer for the high cost of living, he should know better. The reports of his own Bureau of Economic Statistics show that the prices the farmer receives for agricultural products have fallen while their cost to the consumer has risen. It seems that every time the price of wheat falls, the price of bread goes up. The farmers get hit in one direction with falling prices while the consumers get hit in the other direction with rising prices, often on the same agricultural commodity.

Mr. HUMPHREY. The Senator from Oklahoma is stating a very pertinent fact. Farm prices got down to about 80 percent of parity. That included all prices fixed by marketing orders, and there are many of them. Marketing orders are permitted by an escape clause in the antitrust laws which makes it possible to have marketing agreements, which, literally, through a program of scarcity, force prices up. That is what a marketing order does. All farm prices are included in the overall parity analysis. The administration's farm program finally got farm prices of all commodities, on everything from limes and lemons down to rutabagas—I think the Department even included rattlesnake meat and snails—down to 80 percent. Prices went down so far that, a few months ago, everybody was wondering how long the farmers could take it. Speech after speech related to the depression in agriculture. Now that prices have gone up 2 or 3 percent, we are told farmers are much better off. It is the same as saying, when Khrushchev goes around glowering like a tiger, that he is mad, and then saying, when he smiles, "Look at Khrushchev. He is a nice fellow." Do not kid yourself, Mr. President; he just does not happen to have a stomach ache on the day he smiles.

Merely because farm prices go from 80 percent of parity to 83 percent of parity does not mean the policies of the Department of Agriculture are any better. What it means is that because of variable conditions, as a result of acts of nature, such as droughts and

floods, or a freeze in the Southeast, which killed many citrus plants and trees in Florida and other parts of the Nation—because Divine Providence moved in to rescue Benson at great cost to the farmers, the administration claims its policies are a great success.

Do not misunderstand me, Mr. President. I like limes. My whole family likes limes. My father's and mother's families before us liked limes. But I want you to know, Mr. President, we have a tough time raising limes in Minnesota. We have not been able to do it. I do not think it is right to contemplate an agricultural policy on the basis of 400 percent parity for limes, and 300 percent for lemons. I am in favor of the farmers having the benefit of those prices, but I think it is better to contemplate also the prices of other commodities.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ERVIN. I was going to ask the Senator if, as a matter of fact, the administration's farm program is not working according to the administration's plans. As I understand the administration's farm policy, it is that if farming can be made sufficiently unprofitable that many farmers will abandon their farms, surpluses will disappear, and the problem, from the administration's viewpoint, will be resolved. I am wondering if the policy is not working according to the plans of the administration.

Mr. HUMPHREY. I think the analysis of the Senator from North Carolina is correct. There is a principle in economics called the Malthusian principle. It is that population growth has a relationship to production of foodstuffs, and production of foodstuffs has a relation to population growth. As the population grows, it will out-eat itself, much of the population will die off, and there will be a resulting balance of production and population.

There is now a Bensonian principle. The Bensonian principle is that if we have surpluses of agricultural commodities, rather than try to reduce the surpluses or rather than control the production which results in the surpluses, the thing to do is to control the situation by the process of economic attrition of the producers of the products. Do not control the products, says the Department. Do not control the end product. Do not try to have an effective control of the marketing. Do not try to stimulate consumption by broad programs. But the thing to do is let the laws of nature, let Adam Smith's philosophy of the rule of the jungle in economics, take care of the producers. As producers are driven off the farms into the cities, we may be able to lower the amount of production. I will say to the Senator from North Carolina, in the language of the day, they have even "loused up" that.

Mr. ERVIN. In such a case the only surplus left to bother with is a surplus of unemployment.

Mr. HUMPHREY. The Senator is correct. We have not only a surplus of corn, of wheat, and of feed grains, but

also a surplus of 5.2 million unemployed people in our States. What is more, the administration is now conditioning us to the fact that we have to expect such a situation to continue for some time. All the latest economic reports are to the effect that production is up, income is up, and everything is jolly, except, of course, that somewhere or other there seems to be a skeleton in the closet, in the room in the northeast corner, and that skeleton is about 5.2 million people who are unemployed. If we could get folks to forget about that, say the economists of the administration, we could point to the fact that housing starts are up and steel is up to about 65 percent of capacity, and other things are improving. The trouble is that the economists always have to face the fact that people are around. That is what really bothers them—people.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MONRONEY. Is it not a fact that the economists and the "brain trust" of the Benson shop seem to have myopia when they are examining the relation of farm prices to the parity index, but they have the sharpest sight and the greatest ability to accent and overpublicize when the per capita farm income goes up. The "brain trust" is shooting for a high per capita farm income. However, the Benson policy, so ably explained by the distinguished Senator from Minnesota and the distinguished Senator from North Carolina, is that we can double the per capita farm income by simply reducing the number of farmers to half.

Mr. HUMPHREY. The Senator is correct.

Mr. MONRONEY. It seems an effort is made to do exactly that. The liquidation of farmers during the Benson period has established an alltime record. Moreover, the movement is accelerating. In another 3 or 4 years we will be able to show, on the basis of the same income, if the farmers are able to hold the income they had 2 years ago, that the per capita income of farmers has doubled, because we will then have about half as many farmers who are able to live on the farms of the Nation.

Mr. HUMPHREY. The Senator is very correct.

It is said that one can give persons around the table a bigger piece of pie in two ways. One is to have a bigger pie, for the same number at the table; the other is to have the same size pie, or a smaller pie, and get rid of some of the persons at the table. The administration has said, "Look, the house is crowded anyway, and we never liked some of these folk in the first place. Oh, we invited them in; every election year we invited them in, but they are not really our kind." That is what the administration spokesmen feel; so they either keep the same piece of pie, or get a smaller pie, and get rid of about half the guests. Then they say, "Are you folk not happy? Look at what you have. You have a big piece of pie here."

Of course, those who are outside in the rain are wondering when they are



going to get some pie. They have not quite caught on, though most of them have now caught on to the fact that they are the unwanted guests and that really the invitation was a phony.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I should like to congratulate the Senator from Minnesota for a superb presentation, and I should also like to point out, lest the eloquent statement be misinterpreted, that the piece of pie the farmer is getting, when we talk about the individual farmer, is not getting any bigger. The piece of pie is getting smaller.

Mr. HUMPHREY. Indeed it is.

Mr. PROXMIRE. Mr. Benson is a real magician, who has not only driven people away from the table, but has reduced the size of the piece of pie that each remaining farmer receives. Not only that, farmers are being driven away from the table in this day and age and are leaving, as the Senator implies, but as I want explicitly to state, they are going to a market in which there are no jobs available. The farmers who leave the farms cannot find work. They join the lines of unemployed in Chicago, Detroit, Milwaukee, and Minneapolis. They cannot find work.

The Milwaukee Journal made a very interesting study in Wisconsin and found that 40 percent of the farmers of Wisconsin had to have outside work in order to supplement their income. Forty percent of the farmers had outside work. I tell the Senate that the farmer is the last to be hired and the first to be fired. Not only has farm income been diminished, but jobs are vanishing, and there are no other jobs for those farmers in Wisconsin, Minnesota, North Carolina, or Oklahoma. They cannot even find extra work. The recession has hit the farmer, the small businessman and the industrial worker.

What is not fully understood is how surely and disastrously conditions have hit the farmer. The farmer has been pushed by Secretary Benson, under the disastrous policies of this administration, into a market where there is a diminishing supply of jobs, so that he has suffered, and suffered terribly.

Mr. HUMPHREY. I think the Senator's statement as to the farmer who has to take part-time work being the last one hired and the first one fired is a very pertinent observation. I am sure my colleagues who go home to talk to their constituents know that to be the truth.

Let me say to anybody who thinks we are trying to be melodramatic that we are quite candid. Many farm families are doing very well. Some farmers are doing exceedingly well. By making that statement, we do not mean they have been given special privileges. We simply mean that through mechanization, heavy investment, careful management, and long hours of work, some farmers have done fairly well.

What we are talking about is not whether the farmers have done fairly well or very badly. We are talking about the principle of equality of treatment. We are talking about whether a farmer

in the State of Minnesota is entitled to equal treatment.

A farmer in Minnesota must have an average investment of over \$50,000. I want my colleagues to realize that. More than \$50,000 of invested capital is necessary, and the farmer works an average of 14 hours a day, 6 days a week, and puts in a good bit of work on Sunday. The average hourly wage for a farmer in Minnesota, on the basis of his \$50,000 investment, is less than 60 cents an hour. The average hourly wage is between 50 and 60 cents an hour. That is what the farmer gets.

I submit to my colleagues that the man who washes automobiles at the filling station gets more than that, yet he has no investment.

We are talking about whether, in a high priced economy for agricultural producers as well as for other producers, a man is entitled to at least have an opportunity to earn a reasonable return on his investment. That is what the discussion is about.

I say this, because I can almost hear the response which will come. I can almost hear someone say, "The Senator from Minnesota tried to portray the American farmers as if they were poverty stricken." That is not the case at all. Our farmers are too proud to be placed in that category. Our farmers will work at three jobs before they will let that happen to them.

But, Mr. President, when industry insists upon the right to earn 6 percent on its investment, and when utilities are protected by law so that they earn 6 percent or more on their investment, it is not fair for a farmer who has a \$50,000, \$60,000, or \$70,000 investment to earn less per hour than the most common laborer for his work and for his family. Incidentally, that figure includes the value of the food he eats from his farm, also.

That is why people are not going to the farms to live. Senators can ask any young man who has a high-school education, and perhaps a year or two of college work, what his plans are, and whether he wants to go on a farm.

As an example, in my State, according to the Farmers' Home Administration, it takes a minimum loan of \$20,000 to get started. The minimum loan to start a farm is \$20,000.

That is a great deal of money, I will say to my friends. How many young fellows are going to be able to borrow \$20,000 at high interest rates of 6 or 7 percent, depending upon where the money is borrowed? They cannot borrow at 5 percent now. The interest rates are 6 or 7 or 8 percent. How many young men desiring to engage in farming can, first of all, obtain the proper credit? Such a young man can only get a loan if his father signs up and his mother signs up, and it just happens that young man has married the daughter of a fairly well to do farmer.

How many young men are going to go on the farms in those circumstances? The young men are not going to go to the farm, when they know, according to statistical analyses made by our own university, that the average wage per hour is under 60 cents. Why, Mr.

President, there is not a business in Minnesota which does not pay more than that to its meanest employee. We have a minimum wage law which provides that if one works in interstate commerce he must receive a minimum of 75 cents an hour, if he is 18 years of age; he must receive that much, without any investment. I know youngsters 17 or 18 years of age who are receiving \$1.75 an hour. Yet, Mr. President, we expect farm producers to continue their labors for 50 or 60 cents an hour.

In Washington, D. C. there is less knowledge of what goes on on the farm than almost anywhere else in the United States. I can think of no place where it is more difficult to tell the farm story than in Washington. This city is immunized from any kind of objective analysis of what really transpires in either industrial or rural America. About the largest thing in Washington that looks like a farm is a small plot of petunia plants. When it comes to industry, the main industry is real estate. So it is pretty difficult to tell the story of agriculture in this environment called Potomac fever. It is difficult to get the picture of agriculture.

Nothing would help agriculture in America more than to move the capital into the central part of the United States, where people could see what it really means to live in an agricultural community. In Virginia, and in the countryside of Maryland and Pennsylvania, if one travels a little he can see the picture. We work here from morning to night. If we do not get home to our constituency, we start to believe what we read about agriculture; and when we do that, there is about as much relationship between that and the truth as there is between fact and fancy.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. NEUBERGER. I always learn something when I hear the Senator from Minnesota discuss agriculture. He is one of the best informed men I have ever listened to on the subject of farming.

However, as a Senator from a State which does not participate very extensively in the price support program, there is one point which troubles me. Recently the president of the Oregon State College, which has a very outstanding school of agriculture, pointed out, in a letter to the Oregonian, that about three-fourths of the farms in America do not qualify for any Government supports or subsidies. Dr. A. L. Strand, who made that statement, is thoroughly and accurately informed, as is the Senator from Minnesota. I believe his statement to be authentic.

I think I was 1 of only 7 Senators who voted last year to do away with the acreage reserve feature of the Soil Bank. I support the conservation reserve, but it seems to me that the acreage reserve has not been very effective, and has largely helped a few large one-crop farmers, rather than the small, diversified farmers.

This is my fourth year as a Member of the Senate. As a Senator from Oregon, I have seen very little legislation come



before the Senate which would help the comparatively small farmer in my State. If what we are concerned with is the small farmer, it perplexes me to know what we are doing for him here. For about a quarter of a century there have been six so-called basic crops. If I am not mistaken, I should like to have the Senator from Minnesota, with his superior knowledge, correct me on this. The basic commodities are rice, corn, wheat, peanuts, cotton, and tobacco. Is that correct?

Mr. HUMPHREY. Yes.

Mr. NEUBERGER. In other words, we say that peanuts and tobacco, for example, are basic crops; but apples, peas, butterfat, meat, potatoes, oranges, grapefruit, carrots, rutabagas, and many other things which probably contribute far more greatly to nutrition than the three first-named products I have mentioned above are not basic.

I happen to come from a State where only one of the so-called basic crops is raised, and that is wheat. It is raised abundantly east of the Cascade Mountains, on the great upland plateau. On the Coastal Plain and in the Willamette Valley, where by far the largest number of Oregon farmers live, there is nothing raised in commercial quantities which qualifies for price supports. Hardly any of those farms were included in the Soil Bank. Is there anything in the bill which offers those farmers some relief?

Let me make one further observation, and then I shall be interested in the reply of the Senator from Minnesota, whose knowledge of this subject I greatly respect.

There are quite a number of turkey growers in Oregon. They have asked the Government to assist them in a self-help program whereby they can try to maintain the price of their turkeys by restricting the output, so that there can be some fair value in the price of turkeys per pound. They have not been able, to my knowledge, to get such legislation to the floor of the Senate, although we have fervent hope that it may still reach there.

What I should like to have the Senator from Minnesota tell me, in order that I may go home and relate it to my people in Oregon, is this: What kind of program offers real prospective help to the small, diversified, family sized farm which does not produce any of the so-called basic commodities in commercial quantities?

Mr. President, I have great respect for the members of the Senate Agriculture Committee, who wrestle with the infinite problems presented by the complexities of modern agriculture. It may be an utter impossibility to write rules and regulations that will be equally fair to every commodity, or for that matter to treat equitably everyone operating in a given commodity group. Of course, we have our great farm organizations who speak nationally in regard to general farm policy, and we have the national commodity groups who press forward for programs in support of a particular commodity. For instance, there is a National Association of Wheat Growers, whose president this year is Mr. Floyd

Root, an Oregonian. The potato growers have a national organization with its headquarters in Washington. The dairy people, in great number, are represented by the National Milk Producers Federation. There are many more. Each of these organizations is interested in long-range agriculture legislation affecting his own category and has, I am sure, offered its counsel to the committee.

I am wondering, Mr. President, how satisfied the leaders of these farmer organizations are with the bill that is now before us. This was brought home to me forcefully by a wire I received Monday from my good friend H. D. Rolph, president of the Oregon State Farmers Union, who feels that the commodities he names have been ignored in S. 4071, the bill to provide more effective price, production adjustment and marketing programs for various agricultural commodities.

This, I believe, is the chief criticism expressed in the minority views included in the committee report. I come from a State that has a most diverse agriculture. Authorities tell me that over a hundred different Oregon farm commodities are marketed annually, but the present bill, centering its attention on cotton and rice, has little interest or attraction for the producers of these many commodities. In fact, wheat, the one basic commodity that Oregon produces in quantity, is completely overlooked by this measure. Dairying predominates in the agriculture of Oregon's coastal counties. I find nothing in this bill that resolves the very serious problems of the dairy industry.

Mr. President, I see in this measure nothing that will ease the financial pain of Oregon's turkey growers, who now find it economically more feasible to ship in corn from Nebraska than to feed surplus Oregon wheat to their growing flocks.

There are several questions that I believe are fundamental and pervading which must be answered if we are going to offer the farmers of the United States a measure having any just claim to the descriptive title long range.

First. How can the average farmer who must keep pace with technological advance in agriculture, manage the mounting capital investment modern agriculture requires?

Second. If technological advance is accompanied by continuing surpluses, how can the farmer expect stability of income without adhering to some sort of system of controls and allotments?

Third. Has the committee ever considered the possibility that agriculture may have to be viewed as a public utility?

Fourth. Has the Department of Agriculture ever made a study of the far-reaching changes that may be expected in the pattern of rural life, if commercial farming becomes firmly established in this country?

Fifth. If the trend to larger and larger agriculture units continues, as appears certain with technological advance, how may the intrinsic values of rural life be preserved?

Sixth. In the present situation, an average Oregon wheatgrower is reduced to raising a wheat crop on a fourth of

his wheatland, since his practice of summer fallowing cuts his acreage approximately in half, and his allotment slices in two that remaining half. How will he survive, with wheat prices perhaps falling to the lowest figure in years?

Seventh. What has the committee to say to the dairy farmers who find all their costs continuing to increase, at the time milk prices are perilously low so far as he is concerned?

Mr. HUMPHREY. The Senator from Oregon has placed before us again one of the most difficult problems facing the Congress in the field of agricultural legislation. His questions are also perfectly timed for the pending bill. There is not a thing in the bill which would help the producers of agricultural commodities in the State of Oregon. With respect to the feed-grain producers—and there are a few feed-grain producers in Oregon—the prices of feed grains will be down instead of up. So this bill is a minus for the producers of Oregon. There is nothing in the bill which relates to wheat. There is nothing which relates to fruits, vegetables, and some of the other commodities the Senator mentioned.

What is there available in agriculture policy for the diversified farm, and for the producers of commodities other than those which the Senator listed as basics?

Let me tell the Senator some of the things which are available for fruit producers. There are Federal marketing orders. A marketing cooperative can be organized to exercise control, under marketing orders, in terms of distribution, thereby controlling prices. That method has been very effective for citrus producers.

There is another possibility one should keep in mind under existing agricultural policy. The State of Minnesota is the second largest turkey-producing State in the Union. I believe it is the second or third largest egg-producing State in the Union. When the price of eggs goes down, and the price of turkeys goes down, there is trouble. By the way, turkeys are a very perishable commodity. They are difficult to raise, and sometimes difficult to market. So when the price of turkeys goes down there is trouble. There is a large cash investment involved. There is a great deal of hazard in their production.

What authority is there for the Government to be of any assistance? There is the authority in connection with section 32 funds, which are accumulated from tariffs on the importation of commodities. The tariffs are placed in a fund, and such fund is utilized for the purchase in the American domestic market of commodities which are in excess production.

Also there should be authority in the Commodity Credit Corporation for the purchase of commodities to stabilize market prices, and to make commodities available for relief purposes in the United States—purposes such as the school-lunch program, veterans hospitals, and, I hope, in time, such commodities will be available for old people's homes and for other charitable and relief purposes.



If these policies are used on a timely basis they can be effective. For example, eggs can be purchased when the market price of eggs is down. I remember, years ago, when grade A eggs were selling in my State for 18 or 19 cents a dozen. My wife was paying 75 cents a dozen in Washington for the same quality eggs. In Minnesota, around St. Cloud, in Stearns County, pullet eggs were worth 8 cents a dozen. I used to say that it was hardly worth the wear and tear on the pullet. Every hen must be a pullet one time in her life.

What can we do to bolster that price under existing policies? A timely purchase of eggs for the school lunch program or the Military Establishment or for relief purposes—or even the announcement of such a program—improves and stabilizes the market.

What is more, we are greatly in need of credit. In further response to the question of the Senator from Oregon, I have felt for a long period of time that our farm credit structure is inadequate for the present needs of a modern agricultural economy. The credit policy had its inception in the 1930's. We have improved credit availability, but not nearly enough. All too often the Farmers' Home Administration conducts its policies on the standards of the American Bankers Association. I do not want anyone to misunderstand me. I believe that most credit should be extended through private credit channels. However, if we are to have for the Farmers' Home Administration the same standards as those used by the American Bankers Association, we obviously do not need the Farmers' Home Administration. There is then no need to have the Farmers' Home Administration. The purpose of the Farmers' Home Administration should be to supplement private sources of credit.

To return to and to conclude my answer to the Senator from Oregon, it is perfectly true that the agricultural policies, as they have been designed by Congress in past years, have not been adequate to meet the needs of diversified agriculture.

That is why I have supported a broadening of the powers of the Secretary of Agriculture so as to permit purchases and compensatory payments. Is it not interesting that only a short time ago we should have passed the Brannan plan for minerals?

Mr. NEUBERGER. The Senator is absolutely correct.

Mr. HUMPHREY. Secretary Brannan missed his calling. He should have been Secretary of the Interior. If he had been the Secretary of the Interior, he would have been a hero. We have now passed the Brannan plan for minerals. If our colleagues knew how much iron and other minerals there are in some agricultural products, they would agree with me. If Secretary Brannan had translated the chemistry of agriculture and had told us about the amount of copper and iron and tungsten contained in some agricultural commodities, Congress might have approved his Brannan plan.

The Secretary of the Interior of this business administration, this anti-Socialist administration, this antisubsidy administration, comes to Congress with a plan for compensatory payments and for subsidies for mineral producers, and in no time at all it is reported by the committee and is before the Senate and is passed by the Senate, with hardly a dissenting vote.

I do not want anyone to misunderstand what I am saying. I am delighted that we did something for the mineral producers. I support the general idea embodied in that proposal. However, is it not interesting that when our former colleague, a very fine and distinguished man, the Secretary of the Interior of the Eisenhower administration—that businesslike and conservative Republican administration—comes to Congress with a compensatory production payment plan for minerals, we are asked to support this great, farseeing, imaginative proposal.

Poor Charley Brannan came to Congress and suggested that perhaps compensatory payments might be a good idea and would be helpful to some rather difficult commodities which are perishable. It is very expensive to store perishable commodities, and the expense of storing them yields nothing constructive. So he said perhaps it would be a good idea if we would think in terms of production payments or compensatory payments.

What happened to Secretary Brannan should not happen to a fellow American. The roof fell on him. With the roof came the whole National Republican Committee—and some of them are rather heavy. [Laughter.] Is it any wonder that poor Charley Brannan lost his hair? At long last that principle was embodied in a bill the Senate passed a few days ago.

Mr. NEUBERGER. As I stated a few minutes ago, I have received a very pertinent telegram from my good friend H. D. Rolph, president of the Oregon State Farmers Union. Mr. President, I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

SALEM, OREG., July 7, 1958.

Senator RICHARD NEUBERGER,

Senate Office Building,

Washington, D. C.:

Senate agriculture bill in its present form, with no provisions for milk, wheat, vegetables, wool, livestock, is not satisfactory to us. Also the feed grain provision. We hope you will be able to check on the amendments which will be offered to improve the bill. You are doing a fine job. We do appreciate your cooperation.

H. D. ROLPH,

President, Oregon State Farmers Union.

Mr. NEUBERGER. Does the Senator from Minnesota believe, inasmuch as we have now established in the Senate, at the urging of the administration, the Brannan plan for lead and zinc, that some of us may in the future propose the Brannan plan for eggs and apples, without expecting so much fierce criticism as Secretary Brannan received?

I ask that question in all gravity and seriousness. I ask the Senator if we are not almost on the threshold of the time when perhaps we will have to consider very seriously something like the compensatory payments contemplated by the Brannan plan for small, diversified farmers, who raise perishables and who are outside the umbrella of almost any Government protective program?

Mr. HUMPHREY. I think so. I do not believe that merely saying we ought to have the principle of compensatory payments available for our agricultural policy or our agricultural law means that we are about ready to give away the Federal Treasury, or to raise hobgoblins which some of the commentators see in these programs.

If we are to fight a war, we had better have in our arsenal every weapon we can use in fighting and winning it. If we are trying to stabilize agricultural prices, and if we are attempting to have orderly marketing procedures, so that there will be no price-depressing floods in one month, and a scarcity the next month, and there will be reasonable conditions in the market place for farmers, we ought to have a whole galaxy of means with which to do the job.

What are some of them? There are production payments, crop loans, marketing agreements, farm credit, timely purchases of surplus commodities, farmers' cooperatives. There is also the right of cooperatives to join together in marketing associations.

What I am trying to get at is this: There used to be a time in the life of prehistoric man when there were witch doctors who used the same treatment for every ill. Not so long ago I went to the Medical Museum of the International College of Surgeons in Chicago. It is a wonderful medical museum. If the Senator has a chance to see it the next time he is in Chicago, it would be well worth his while to visit that museum.

Years ago when anyone had a headache, there was one treatment for it: Bore a hole in the head. Modern medical science has found that, although there may be a need at times for a hole in the head, there are also other treatments for headaches. [Laughter.] Sometimes what appears to be a headache, is not a headache at all, but something else. When we treat an economic problem of agriculture, we should not treat it with only one kind of remedy. We should have available a variety of remedies.

As we seek justice and discretionary authority—and I make special note of this—I have not sought in any proposal though I have made many, or in any amendment I have offered to require the Secretary of Agriculture to make compensatory payments. I have, however, offered amendment after amendment which has provided that the Secretary of Agriculture may use compensatory payments, along with other methods.

Do Senators know what happened? We got no place fast. It was because someone has made the words "compensatory payments" nasty words, except when they are applied, as the Senator



has said, to sugar or lead or zinc or wool.

I wish to make it quite clear that I will vote for the Wool Act again, as I voted for it previously. I have voted for relief for lead and zinc, and I will vote for it again. I have voted for the sugar bill, and I will vote for it again. All I say is, "If you bless my neighbor's children, how about a little blessing for my own?"

Mr. NEUBERGER. What the Senator says is true, of course. A great deal of this is simply a matter of words. In the comparatively short time I have been a Member of the Senate, I have discovered that "what the Government does for me is a service, but what it does for the other fellow is a subsidy." That is the only difference. That is the way the words are used.

I wish to ask an additional question. I think it is timely while the distinguished Senator from Kansas [Mr. CARLSON] is in the Chamber.

One of the most able speeches I have ever heard in explanation or in defense of the two-price plan for wheat was made one evening by the able Senator from Kansas when I had the honor of presiding over the Senate. This epitomizes the problem with which we in Oregon are confronted.

In the eastern part of Oregon, as I have said, there is a very substantial wheat-growing industry. In the western half of the State, along the Pacific seaboard, and in the Willamette Valley, there are a great many farm families who raise chickens and many turkeys. The natural feed for their flocks of poultry is the surplus wheat grown in eastern Oregon. However, the wheat is under a price-support program I have endorsed that program, and shall continue to vote for it, but the very nature of the price-support program on wheat tends to make the price too high for the poultry raisers in the western part of Oregon, although the wheat is the logical feed for their birds.

Does not the Senator from Minnesota think that the two-price plan, which was voted in by the Senate several years ago and which expired, I believe, with the veto of the farm bill of 1956, is the most practical solution of this problem? Does he not think that this particular program would offer the wheatgrowers a fair price and a supported price for that portion of their crop which went into domestic consumption for human needs, whereas there would be a much lower world price for that portion of their wheat which would be fed to livestock or to poultry?

What is the opinion of the Senator from Minnesota about that particular program? I know there has been some geographical disagreement on the subject. There is a divided Middle West opinion and a divided Far West opinion. There is a divided opinion in the upper tier of the Middle West and a divided opinion in the lower tier of the Middle West. What is the opinion of the Senator about the two-price wheat plan?

Mr. HUMPHREY. I suppose the simplest answer is that I voted in committee to report the 2-price plan for wheat; and when the Senator from Kan-

sas offered the 2-price plan in the Senate, I voted for it. I was not at all sure then, and I am not at all sure now, that it is the most effective plan. But I think the farmers ought to have a right to try it. That was the main reason why I supported the plan.

The problem in the section of the country from which the Senator from Oregon comes, where wheat is used more as feed than it is in the Middle West, is different from that in my section. It is true that the feeling along the eastern seaboard—and it is my feeling, too—is that the wheat program is not working too well, so it might not be too bad to try something else.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARLSON. The Senator from Minnesota earlier said there was nothing in the bill about wheat. I am happy that the Senator from Oregon has raised this issue. We are raising this year what will probably be our largest wheat crop. As of June 1, it was reported to be 1,271,000,000 bushels. I believe that when the spring wheat has been harvested, the amount will be larger than that.

On July 1 of this year we had a carryover of 970 million bushels of wheat. The estimate as of July 1 was that there will be a wheat surplus or carryover of 1,200,000,000 bushels. That shows that the present program is one which will have to receive serious thought. I sincerely hope that the Senator from Minnesota, who is a member of the Committee on Agriculture and Forestry, will keep this in mind next year, when we will have to come before Congress with an even greater surplus than there has been to date.

Mr. HUMPHREY. If the Senator from Kansas planned to offer an amendment to the bill relating to wheat and wheat production along the lines of the one he offered before, it might serve a very meritorious purpose. But the sooner we begin to try something different from what we have, the better off we will be.

Mr. CARLSON. I had not planned to offer an amendment to the bill, simply because I thought we were close to the end of the session, and there is some farm legislation which is urgently needed at this particular time.

I am firmly convinced that the wheat problem has not been solved by the present program, and that we shall have to give consideration to the domestic parity program for wheat. I appreciate the help I have had, and expect to discuss this matter before the Senate votes on passage of the bill.

Mr. HUMPHREY. Is it not true that the National Grange has supported the program of the two-price system?

Mr. CARLSON. Very definitely.

Mr. HUMPHREY. I remember Mr. Newsom, whom I consider to be one of the foremost agricultural statesmen, favors the system. I really believe that Herschel Newsom is an agricultural statesman.

Mr. CARLSON. I am thoroughly in accord with the Senator's statement. Also, the State farmers' unions of Kansas favor it. I cannot speak for the

National Farmers' Union but I am sure they are not unsympathetic to domestic parity. The national organization that I know which supports the two-price system for wheat is the National Wheat Growers Association.

They are sponsoring that type of proposal. I should think they would know the problem of the wheat growers. The National Association of Wheat Growers is convinced the wheat problem will not be solved except through a domestic parity program. This program would save the Government money and assure a sound farm economy.

Mr. NEUBERGER. The present president of the National Wheat Growers' Association is an outstanding resident of my State, Mr. Floyd Root, of Wasco, Ore. He is a staunch supporter of the two-price plan, of which the Senator from Kansas has been the foremost advocate in the Senate.

I thank the Senator from Minnesota and the Senator from Kansas for helping to enlighten me on the very important question which now confronts us in the Senate.

Mr. HUMPHREY. Mr. President, instead of having farm programs designed and directed to bolster the free market, the present system would lend itself to becoming a downward drag on the free market, with an automatic downward escalator of less and less protection for the farmer in the years ahead.

Now, it is true that this drastic, fundamental change in farm policy under this bill concerns only cotton, rice, and corn and other feed grains.

But certainly there is no Senator on this floor so naive to assume that once this door has been opened to throw basic policies of 25 years' standing out the window on these commodities, the parity concept could long be preserved alone for tobacco, wheat, or other remaining commodities.

We need to know what we are doing, in voting on this legislation—and where the road will end that we are embarking upon.

However they may vote, Senators from tobacco-producing States, for example, must realize that they are voting for eventual dependence on the free market for tobacco prices if they support this legislation.

However, they may vote, all Senators from wheat-producing States should realize that this is not just a matter of expanding cotton and rice acreage—it is actually reversing the entire basis of fundamental public policy on agriculture, whatever the differences on how that policy would be implemented.

If all that is needed is to take care of the acreage adjustments for cotton and rice—and I think that is needed—it can be done very simply by a joint resolution of the Senate and the House, which will have the effect of law when signed by the President. All that is needed is a joint resolution to extend for one more marketing year the extra acreage which was granted on an emergency basis last year for cotton. I submit that that might be a very reasonable alternative.

As a reminder to my friends where the Farm Bureau is the predominant



farm organization, who seem to take reassurance in the fact that the Farm Bureau is supporting the bill, let me remind them and the Farm Bureau that it developed its greatest strength, made its greatest progress, and won the widest acceptance from American farmers when it pioneered the parity concept and joined hands with other farm organizations to insist upon its enactment into law.

Mr. SPARKMAN. Mr. President, will the Senator from Minnesota yield upon the condition that he will not lose the floor, in order that I may suggest the absence of a quorum, and that the Senate may then receive a visitor from a foreign country?

Mr. HUMPHREY. Mr. President, upon those terms, I yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Senator from Minnesota may yield so that I may suggest the absence of a quorum, with the understanding that he will not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Without objection, it is so ordered.

#### ANNOUNCEMENT OF MEMORIAL SERVICES FOR THE LATE SENATOR SCOTT, OF NORTH CAROLINA, AND THE LATE SENATOR NEELY, OF WEST VIRGINIA

Mr. JOHNSON of Texas. Mr. President, for the information of the Senate, I announce that on Monday, August 4, the Senate will convene at 10 o'clock, if that is agreeable to the Members; and there will be memorial services for the late Senator Scott, of North Carolina, and the late Senator Neely, of West Virginia.

Mr. President—

The PRESIDING OFFICER. The Senator from Texas is recognized.

#### RECESS

Mr. JOHNSON of Texas. Mr. President, there is in the Capitol the distinguished Prime Minister of Ghana, the Honorable Kwame Nkrumah. I ask unanimous consent that the Senate now stand in recess, subject to the call of the Chair, and that the Chair appoint a committee of Senators to escort the Prime Minister to the Senate Chamber.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair appoints, as the members of the committee, the Senator from Texas [Mr. JOHNSON], the Senator from California [Mr. KNOWLAND], the Senator

from Rhode Island [Mr. GREEN], and the Senator from Wisconsin [Mr. WILEY].

Thereupon (at 3 o'clock and 8 minutes p. m.) the Senate took a recess, subject to the call of the Chair.

#### VISIT TO THE SENATE BY THE HONORABLE KWAME NKRUMAH, M. P., PRIME MINISTER OF GHANA

During the recess,

The VICE PRESIDENT. The committee heretofore appointed to escort the distinguished visitor into the Chamber will now proceed to the performance of their duty.

The Honorable Dr. Kwame Nkrumah, Prime Minister of Ghana, escorted by the committee appointed by the Vice President, consisting of Mr. JOHNSON of Texas, Mr. KNOWLAND, Mr. GREEN, and Mr. WILEY, entered the Senate Chamber, accompanied by His Excellency D. A. Chapman, Ambassador of Ghana to the United States; the Honorable Kojo Botsio, M. P., Minister of Trade and Industries; the Honorable Kofi Baako, M. P., Minister of Information and Broadcasting; Mr. A. L. Adu, O. B. E., Permanent Secretary, Ministry of Defense and External Affairs; Mr. Enoch Okoh, Acting Secretary to the Cabinet; and the Honorable Kimla A. Gbedemah, Minister of Finance.

The VICE PRESIDENT. Members of the Senate and our guests in the galleries, it is my great honor to present to the Senate a dynamic leader of a new nation, and a friend of the United States, the Prime Minister of Ghana.

[Applause, Senators, and occupants of the galleries rising.]

ADDRESS BY THE HONORABLE KWAME NKRUMAH, M. P., PRIME MINISTER OF GHANA

Thereupon, from his place on the rostrum, the Prime Minister of Ghana delivered the following address:

Mr. President, Honorable Senators, I wish to express my appreciation for your invitation to come here today. It is indeed a great honor to stand before a Senate whose deliberations have guided, and will continue to guide, the destinies of the American Nation, and whose decisions affect people in every corner of the world.

I speak to you on behalf of the Government and people of Ghana—one of the youngest of nations, but one dedicated to those same ideals of liberty and justice which have always guided your own great country. I trust that my visit, at the kind invitation of your great President, will strengthen the ties of friendship which already exist between your country and mine.

I have some appreciation of the weight of responsibility and the burden of work which presses on the distinguished Members of this great Senate, and I therefore have no intention of talking to you at length. I simply wish to emphasize six basic points.

First. Like you, we believe profoundly in the right of all peoples to determine their own destinies. We are therefore opposed to all forms of colonialism—old and new—and we want to see all nations and their peoples genuinely independent and seeking a higher standard

of life. In this respect we have a special concern for those of our fellow Africans whose countries are not yet independent.

Second. Like you, we seek a world of peace where men and women may bring up their children in tranquillity and security. Our foreign policy is one of nonalignment, but let no one misinterpret our position in matters affecting the independence of our own nation or the independence of others. I know that you will always find us aligned with the forces fighting for freedom and peace.

Third. We give our full support to the United Nations and its Charter.

Fourth. We pray that your deliberations may succeed in achieving some relaxation in world tension and thus ease the vast burden of expenditure on armaments which weighs so heavily on this country and others. If that can be achieved, we hope that part of the resources thus saved could be used to banish poverty, disease, and illiteracy from the less fortunate parts of the world.

Fifth. I pay tribute to you and your people for the wonderful generosity which you have displayed over the last 13 years in assisting nations devastated by war, and the many other countries which have needed economic help. I am sure that this remarkable record will be enshrined in the history of the world for all time.

Sixth. I do not come to the United States asking for direct financial aid. We need American investment—both Government and private—but only for projects which can stand on their own feet, and ultimately repay the original capital with reasonable interest.

I thank you, Mr. President, and Members of the Senate, for according me this honor. You can be assured of our enduring friendship and good will, and I am certain that the friendship which today exists between the United States and Ghana will endure so long as our two countries exist.

Again, I thank you, Mr. President. [Applause.]

The VICE PRESIDENT. We also have as guests of the Senate today members of the Prime Minister's Cabinet. I should like to ask them to stand, so that the Members of the Senate and our guests will know them.

The Honorable Kojo Botsio, Minister of Trade and Industries.

The Honorable Kofi Baako, Minister of Information and Broadcasting.

The Honorable Kimla A. Gbedemah, Minister of Finance.

Mr. A. L. Adu, permanent secretary, Ministry of Defense and External Affairs.

Mr. Enoch Okoh, acting secretary to the Cabinet.

(The distinguished visitors rose, and were greeted with applause, Senators rising.)

The VICE PRESIDENT. I also introduce a distinguished guest whom we all know, the Ambassador of Ghana to the United States, His Excellency D. A. Chapman.

(Mr. Chapman rose, and was greeted with applause, Senators rising.)



The VICE PRESIDENT. As is our custom, we shall now have the opportunity to meet the Prime Minister in the well of the Senate.

The Prime Minister of Ghana was escorted to a position on the floor of the Senate in front of the Vice President's desk, and was there greeted by Members of the Senate, who were introduced to him by Mr. JOHNSON of Texas and Mr. KNOWLAND.

Following the informal reception, the Prime Minister and those accompanying him were escorted from the Chamber.

#### RESUMPTION OF LEGISLATIVE SESSION

At 3 o'clock and 32 minutes p. m., the Senate reassembled when called to order by the Presiding Officer (Mr. COTTON in the chair).

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

#### EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. TALMADGE in the chair) laid before the Senate a message from the President of the United States submitting several nominations, which were referred to the Committee on Interstate and Foreign Commerce.

(For nominations this day received, see the end of Senate proceedings.)

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 3651) to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 11636) to repeal section 6018 of title 10, United States Code, requiring the Secretary of the Navy to determine that the employment of officers of the Regular Navy on shore duty is required by the public interest.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes.

The message further announced that the House had passed the following bills,

in which it requested the concurrence of the Senate:

H. R. 488. An act to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement; and

H. R. 11805. An act to promote the national defense by authorizing the construction of aeronautical research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research.

#### ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 7153. An act giving the consent of Congress to a compact between the State of Oregon and the State of Washington establishing a boundary between those States;

H. R. 7729. An act for the relief of August Widmer;

H. R. 13088. An act to fix and regulate the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, of the United States Park Police, and the White House Police, and for other purposes; and

H. J. Res. 589. Joint resolution for the relief of certain aliens.

#### HOUSE BILL REFERRED

The bill (H. R. 488) to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement, was read twice by its title and referred to the Committee on Labor and Public Welfare.

#### AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. HUMPHREY. Mr. President, there are some members of this body who still remember the late, great Ed O'Neal, who built the American Farm Bureau Federation into an effective national force for agriculture—by advocating successfully the very parity concept we are now being asked to destroy.

While there are many other serious flaws in this farm bill, the most basic of all is the abandonment of the parity principle and a return to the Hoover-era conditions of the early thirties.

Yet almost equally dangerous is an entering wedge to abandon devices and machinery by which farmers may adjust market supply into reasonable balance with demand.

The twin arms of basic farm legislation have been the willingness of Congress to offer a degree of price and income protection in return for participation of farmers in efforts of their own to adjust supply closer to effective demand.

Now we are seeking to chop off both arms.

Mr. President, I want Members of the Senate and the American public to understand that the pending bill provides price supports and no production con-

trols. The only way I can interpret this kind of measure is that it is based upon a desire to kill off all effective price support legislation.

Frankly, I do not believe that an effective price support program is possible without production controls; and when I see a program being advanced which permits unlimited acreage, unlimited production, with price supports at the same time, I say that it can only add up to an economic disaster.

If at the present time, as the distinguished Senator from Kansas said not long ago, we have more than 1,200,000,000 bushels of surplus wheat, despite the fact that we have taken out of production 35 percent of the entire wheat acreage, imagine what would happen if we ever permitted unlimited production of any and all acres the farmers could plant, with a price support program in addition. I do not see how that kind of legislation could be justified.

On the one hand the administration complains about the surplus, and the American taxpayer has reason to complain about the cost of a farm program. On the other hand, the proposal before us, which is supported by the administration, would permit increased acreage—in the cotton situation, up to a 40 percent increase in acreage, and in the case of corn, no allotments whatsoever and no acreage controls at all. Already there are hundreds of millions of bushels of corn in surplus.

It seems to me that the only way to justify such a program is on the ground that the proponents are looking forward to the day when the surplus situation will be so bad, and the price situation so bad, that we shall scuttle every price support program. I hope I may be wrong in that prediction, but I can see very little to indicate that this program would do anything else but increase production by a very large measure, and thereby reduce prices.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I ask the Senator from Minnesota if it is not true that a farm program of price supports without production controls is a prescription for disaster to the taxpayer?

Mr. HUMPHREY. I should say that if we have price supports and no production controls, particularly if the program covers all commodities, and there is no way to take acreage out of production with payments, it is bound to add up to increased supply, which, in turn, means lower prices.

Mr. PROXMIRE. It means, in the first instance, that the taxpayer will have to pay more and more and more in order to make it possible to support the surplus production, if there is no limitation on production.

Mr. HUMPHREY. That is my feeling.

Mr. PROXMIRE. In the second place, does it not follow, as night follows day, that, in view of the fact that only 12 percent of our people live on farms, and the 88 percent are taxpayers—of course, the farmers are also taxpayers—whose immediate economic interest, which is being catered to by propaganda, and so



forth, is such as to cause them to be opposed to paying taxes to support farm programs, it is logical for those people to oppose supporting farm prices under such conditions.

Mr. HUMPHREY. That is correct. I believe there is a premediated plan to aggravate the agricultural surplus problem to the point where the taxpayers become as utterly disgusted with it as they became disgusted with the potato fiasco.

I remember when I became a Member of the Senate in the 81st Congress, one of the first things we had to do was to repeal the potato price-support program. Why? It was because there were price supports with no production controls. There were price supports and unlimited production. Potatoes were piling up. We were putting blue ink on potatoes. We were destroying potatoes. We were spending hundreds of millions of dollars on potatoes, only to find that the American people became so utterly disgusted with the whole program that we had to throw it out.

Mr. PROXMIRE. The argument that follows, of course, and the argument which some Senators have made and which many people are making, is that many farm commodities are not supported.

Mr. HUMPHREY. Yes.

Mr. PROXMIRE. And that if we take supports off the commodities which are supported, those commodities may not be hurt but, instead, benefited. Does it not follow, again as day follows night, that cheap feed will mean cheap milk so far as the farmer is concerned?

Mr. HUMPHREY. The Senator is correct. In fact, I have a little pamphlet in my hand entitled "Farmers Never Win Gambling With Cheap Feed." It states:

You can't beat that old shell game, and here's why.

The pamphlet points out some very interesting facts. I will read some of the headlines:

Cheap feed means cheap hogs. When somebody loses, somebody wins. Cheap feed means cheap cattle. Cheap feed means cheap milk.

Mr. PROXMIRE. That means cheap milk for the farmer, not cheap milk for the housewife.

Mr. HUMPHREY. The Senator from Wisconsin is quite right. He will recall that I have a standing offer that those who support the present farm program and the bill should come forward and demonstrate what the reduction in price supports on dairy products would mean to the consumer.

The galleries of the Senate are filled with consumers who, like my family, buy milk and cottage cheese and other kinds of cheese. The Government price-support program, which has reduced the farmers' income by hundreds of millions of dollars, has been disastrous. In my State the loss of income is more than \$25 million. That is like taking \$25 million and throwing them into the Mississippi River at floodtime, to be flushed down the river into the Gulf of Mexico. The price of milk has not gone down 1 cent.

Mr. PROXMIRE. That is, the price of milk to the housewife has not gone down.

Mr. HUMPHREY. To the housewife; yes. The price of butter has not gone down. The price of cheese has not gone down. The only thing that has not gone down is the income of the processor. That has gone up.

The pamphlet I have in my hand, which contains information from Government sources, reveals, for example, some very interesting statistics with respect to some packers. It shows the balance sheets of the three important packinghouses for the year ending October 1955, a little more than 2 years ago.

For example, Swift & Co. made a net profit of \$22,893,155, an increase in profit over the previous year of 20 percent. Wilson & Co. made a net profit of \$4,571,051, which is an increase in net profit over the previous year of 46 percent. The Rath Packing Co. made a net profit of \$2,637,300. That is an increase in the net profit over the previous year of 86 percent.

Mr. PROXMIRE. At this point I should like to remind the Senator from Minnesota that this morning the Washington Post carried an article which announced that General Foods had increased its dividends by a large amount. That is being done at the very time the Senate is considering a bill which will reduce very sharply the prices the farmers will receive for their products.

Mr. HUMPHREY. The pamphlet reveals that, while cattle prices were down,

so were feed prices down. Feed prices were cheap. Cattle prices were cheap. However, the profits of the processors were rather good.

I do not wish anyone to misunderstand me. I am not opposed to processors making a good profit. They have a big investment. Merely because farmers get into trouble, I do not mean to say that everyone else should get into trouble also. What we should attempt to do is design a policy which will permit those who are in difficulty to get out of the difficulty without in any way jeopardizing the economy or the profits or the economic position of those who are not in trouble.

Mr. PROXMIRE. I agree with the Senator from Minnesota. There is no question about the fact that high profits are good, just as are high wages and high farm income.

I should like to conclude by asking one more question of the Senator. Is it not true that the bill, if passed, will mean cheap feed and that cheap feed will mean cheap milk—cheap milk for the farmer, not cheap milk for the housewife—with an ever-widening spread which will lead relentlessly to economic depression in town and city?

Mr. HUMPHREY. The Senator is absolutely correct.

At this point in the RECORD I ask unanimous consent to have printed a table on feed grains.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Feed grains: Average price received by farmers*

|                         | Corn<br>(bushel) | Oats<br>(bushel) | Barley<br>(bushel) | Sorghum<br>grain<br>(hundred-<br>weight) | United States<br>average<br>market<br>price to<br>producers<br>manufacturing<br>milk<br>(hundred-<br>weight) | Production<br>of milk on<br>farms<br>(million<br>pounds) |
|-------------------------|------------------|------------------|--------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1952.....               | \$1.47           | \$0.79           | \$1.37             | \$2.82                                   | \$4.00                                                                                                       | 114,671                                                  |
| 1953.....               | 1.42             | .74              | 1.17               | 2.36                                     | 3.46                                                                                                         | 120,221                                                  |
| 1954.....               | 1.38             | .71              | 1.09               | 2.25                                     | 3.15                                                                                                         | 122,094                                                  |
| 1955.....               | 1.21             | .60              | .92                | 1.75                                     | 3.19                                                                                                         | 123,128                                                  |
| 1956 <sup>1</sup> ..... | 1.21             | .69              | .99                | 2.05                                     | 3.31                                                                                                         | 125,474                                                  |
| 1957.....               | 1.02             | .61              | .89                | 1.72                                     | 3.29                                                                                                         | 126,381                                                  |

<sup>1</sup> Note that in 1956—an election year—feed grain prices rose. After the presidential veto of the 90-percent-of-parity farm bill in early 1956, feed grain price supports were temporarily raised.

Mr. HUMPHREY. The table shows that in 1952 the price of corn was \$1.47 a bushel. In 1957 it had dropped to \$1.02.

The price of oats dropped from 79 cents in 1952 to 61 cents in 1957.

The price of barley dropped from \$1.37 in 1952 to 89 cents in 1957. Sorghum grain dropped from \$2.82 a hundredweight in 1952 to \$1.72 in 1957. The average market price to producers of manufacturing milk dropped from \$4 a hundredweight in 1952 to \$3.29 a hundredweight in 1957.

What happened to the price of milk in the grocery stores from 1952 to 1957? If the occupants of the galleries could respond, and I were to ask the housewives what happened to the price of butter and milk since 1952, and what they had to pay for milk and butter in the

grocery stores since 1952, they could give only one answer, and that is that the price has gone up.

The price of the feed the farmer uses to feed his cattle has gone down, and the prices the farmer receives for his products have gone down. At the same time, of course, as I said, the prices in the grocery stores have gone up. The price of butter and the price of cheese have gone up.

Nevertheless the Department of Agriculture says that if we reduce the farmer's prices, we reduce surpluses. That is the greatest hoax which has ever been perpetrated on the American people. It is unmitigated nonsense.

Production of milk on farms went up from 114,671,000,000 pounds in 1952 to 126,381,000,000 pounds in 1957. At the same time, the average market price to



producers of milk went down from \$4 to \$3.29. There was an increase of 12 billion pounds in the production of milk. At the same time, there was a decrease of 71 cents in the price of milk the farmer received.

It is about time we called some people on the carpet and asked them to prove all the public relations nonsense which is spewed out all over the land. They have tried to lead persons to believe that if we cut the farmer's price, the supply will be reduced. In other words, if we punish him, the farmer, he will cut back the supply. The truth is he does not cut back the supply. He cannot cut back the supply. He must have a certain amount of money with which to pay his taxes. He has to have a certain amount of money to pay the doctor. Doctors' bills have not gone down. Taxes have not gone down. The price of gasoline has not gone down. Nothing has gone down except the cheap advice the Department of Agriculture gives to the farmers. Everything the farmer touches has gone up. I say again that it is about time that those who continue to mouth and reiterate that by reducing prices, production is reduced, should prove their statements. They cannot do it. They cannot produce one scintilla of evidence. But they continue to say it again and again and again.

There is only one other place in the world where there is that much concerted lying. There is only one other place in the world where there is that much official lying—and that is what it is: It is a lie, and a big lie. It is an expensive lie. There is only one other place in the world where such lying is done, outside the allegations and public relations of our agricultural policy, and that is in the Kremlin. Again and again the American people have been led to believe that all that was necessary was to reduce the price, and the farmer would then reduce his production. I assert, without fear of successful contradiction, that that is pure, unmitigated misrepresentation; it is an outright falsehood.

Mr. President, the proposed legislation lessens or takes away price protection; at the same time, it deliberately abandons any vestige of trying to discourage overproduction of corn and feed grains.

Which commodity will be the next to have the door thrown wide open, to the detriment of producers and the benefit of processors? I shall have much more to say later about the corn and feed grain situation and its implications on other commodities, because I shall offer some amendments on that very section of the bill. For the time being, however, suffice it to erect a "caution" flag against abandoning such a fundamental principle of farm legislation.

My third major objection to this bad legislation is in its omissions, rather than its commissions.

It is ridiculous to talk about an omnibus farm bill that shuts its eyes to the acute economic problems of wheat, dairying, and other farm enterprises just as significant to our total economy or even more so than some involved in this legislation.

It is bad enough to neglect entirely great segments of American agriculture needing help.

It is worse to chart blindly a course for other commodities without regard for the adverse effect such a course itself will have on the neglected commodities.

For example, opening the door to unlimited expansion of corn and feed grain production, at a time we already have serious surplus problems, spells new troubles ahead for our entire livestock economy.

I warn Congress that next year there will be no more acreage reserve. The acreage reserve will be out. The acreage reserve has absorbed millions of acres of land by taking it out of production. If the bill shall pass, next year farmers will have the opportunity for unlimited production. The acreage reserve will be a thing of the past. That will mean 66 million acres, which have been taken out of production by either acreage allotments or acreage reserve payments, will be available for planting. We can look forward to having most of those 66 million acres go back into production.

The bill provides a \$1.10 minimum price support for corn. Oh, Mr. President, there will be so much corn in America's countryside when millions and millions of acres of land have been put back into production that what will happen to the market price of corn will be nothing short of scandalous. I make that prediction.

I made a prediction in the Senate in 1956 when we amended the law to provide a \$1.25 minimum price for corn—which we did in 1956. It was for corn which was not under acreage allotments. The price was \$1.25 for corn which was in no way controlled. Anybody who wanted to plant an acre of corn was guaranteed \$1.25 a bushel. Of course, that was an election year. Such a plan had never been undertaken before in the history of the country. Moreover, it was a presidential year. It was worth 15 cents more in a presidential year. This year is simply a congressional election year. Now the administration proposes to pay only \$1.10. Prices are better in a presidential year, when the big show is on.

What was the result of that \$1.25 guaranteed price? What was the result of the first break into that acreage allotment system, which had been used in the case of corn for years? The result was a 3-billion-bushel surplus. Think of it. The result was an unbelievable surplus of corn production. We have never gotten it off our backs since.

Before that, it was normal to have at least a 2- or 3-months' corn supply on hand. But, as a result of that kind of what I call agricultural politics, which came from so-called highminded and highprincipled men, the Nation had the greatest surplus of feed grain America had ever known. It has been depressing the corn and feed grain markets ever since.

I find that the American farmers are perfectly willing to accept controls. The wheat farmers are taking controls. They voted for them again only recently.

They are willing to take controls, particularly if they are given a fair price. They do not desire to flood the market with their products.

But if one goes to Mr. Farmer and says, "Here is \$1.25 for any bushel of corn you can produce, so go ahead and produce it; do not worry about a thing; produce, produce, and produce," particularly if it is a presidential election year, and particularly if it looks as if the party is not doing too well in the corn belt, there will be plenty of corn production.

The taxpayers of America pay for it. It ought to have been added, somewhat, to the campaign costs.

Mr. President, opening the door to a vast expansion of cotton acreage to meet textile needs cannot help but mean a similar expansion of cottonseed production, because when cotton is produced, cottonseed also is produced. From this production comes new price-depressing competition to soybean oil, lard, even butter, and, yes, linseed oil.

By now Congress should have learned the interlocking relationship of our farm economy, and realize that we must consider the whole picture. It is not enough to try and cure one problem, if we are creating a dozen more. Before I am through in this debate, I shall document for the Senate in more detail just how devastatingly dangerous this bill would be to vast segments of agriculture who might, on the surface, think they are not even involved.

One of the great dangers of the bill is the subterfuge of its design, to sound relatively innocent with provisions that hide or belie the real intent.

Many who have advocated support of this measure, I am convinced from some of the communications I have received, have not the slightest idea of all that is entailed. They are taking a limited view of what might be some short-run gains for the textile industry, for example, and, I believe, shutting their eyes to the total consequences in our economy.

The Senate must beware of selling the farmer's birthright of just treatment for a mess of pottage around which a tremendous propaganda campaign has been built.

Mr. President, perhaps the most honest appraisal of this measure which I have seen is the analysis by the National Farmers Union which looks behind the surface language to find what is in the fine print—and what is behind the fine print. I ask unanimous consent that the analysis be printed at this point in my remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SPECIAL AND URGENT REPORT ON LEGISLATIVE DEVELOPMENTS—REPORT ON S. 4071, PROPOSED AGRICULTURAL ACT OF 1958

This bill is unbelievably bad. If enacted, it would represent a 180 degree turn away from kind of farm policy favored by Farmers Union. Specifically, it greatly weakens the existing price-support programs for corn, cotton, rice, sorghum grain, rye, oats, and barley.

But its long-term fundamental implications are even more threatening and disastrous than the rather sizable immediate cuts it makes in the support levels of these



specific commodities. The very serious threat of this bill to family farming takes a little time to soak in. But when it hits, the impact is tremendous. This bill, if enacted, could well set into motion the economic and political process by which vertical integration by nonfarm corporations would replace family farming as the basic structure of American farming.

1. The bill adopts the reactionary concept that the so-called free market, rather than parity, should be the goal and measuring guide of farm programs. Price support levels based on parity are replaced by (a) fixed dollar and cents floors and (b) the ever-falling support level of 10 percent below the average market price of preceding 3 years.

2. Bill abandons or seriously weakens the idea that market supply management through marketing quotas and similar devices shall be used to enable farmers to acquire bargaining power. Acreage allotments for corn completely eliminated. Function of marketing quotas in cotton and rice programs completely changed.

3. If program is enacted for such politically important commodities as corn, cotton, and rice, it would probably be only a matter of a few years until the above two principles would be applied to wheat, tobacco, milk, and other commodity programs.

Bill is a suck-in subterfuge so designed as to sound relatively innocent, with provisions that hide or belie the real intent.

#### CORN

For example, the fundamental principles of the bill are applied immediately and fully only to corn. Corn is removed from the category of basic commodities. The acreage allotment program and price supports based upon a percentage of parity is repealed effective in 1959. Instead of making the existing corn program more workable, the whole program is abandoned and a new program with a built-in dual highway back to the completely free market is established in its place. Corn supports in the bill are set at (a) not less than the fixed dollar and cents figure of \$1.10 or (b) 10 percent below the average market price of the preceding 3 years. With prices paid by farmers rising every year by 3 percent or more the fixed \$1.10 would mean less and less as years go by. With 3 years of \$1.10 support levels and market prices the support level under the other formula would drop to 90 percent of \$1.10 or 99 cents per bushel.

#### OTHER FEED GRAINS

The support levels for grain sorghum, rye, oats and barley are set at feed value equivalent to corn supports or 60 percent of parity. After a few years, if 60 percent of parity got secondary feed grain supports out of line with the dropping support price of corn, you can be sure that Congress would be pressured by the proponents of this approach to eliminate the 60 percent floor.

It should also be noted that the 60 percent floor for the secondary feed grains is 14½ percent below the 70 percent of parity support level established for 1958 by Secretary Benson. For grain sorghum, for example, this would mean a support level of \$1.62 per hundredweight as compared with the 1958 support price of \$1.83. Incidentally, the feed value equivalent of grain sorghum to 99 cent corn is \$1.77 per hundredweight. The effect of the bill on rye, oats, and barley would be similar to that I have described on grain sorghum.

#### COTTON AND RICE

Bill puts off the free market pricing for cotton and rice by 2 years. That's the suck-in feature. A Farm Bureau witness frankly explained the reason to a House subcommittee recently. He said cotton and rice farmers weren't willing yet to accept price supports based on 90 percent of the free

market. But with 2 years educational program, he thought they would be willing.

For all intents and purposes, the long-term program for cotton and rice is the same as for corn and the other feed grains. Prices would be supported at not less than 10 percent below the average market price during the immediately preceding 3 years. Marketing quotas and acreage allotments would be relaxed considerably more than economic application of the price inelasticity of demand would indicate, and surpluses would continue to pile up in CCC forcing still further reductions in support levels.

#### COTTON

For cotton, in 1959 and 1960 each individual producer would be given the option of taking (B) his share of 16 million acre national allotment plus 40 percent more acres and 60 percent of parity supports; or program (A) his share of 16 million acres with supports at whatever the sliding scale calls for with the supply percentage calculated to include the additional cotton that would be produced in program B. (Thus, the temporary support level for even program A would probably be no more than 75 percent of parity in 1959.) Note that the 16 million acreage allotment for 1959 is a rather severe cut from the 1958 national acreage allotment of 17.7 million acres. The program is thus loaded so that most producers will be forced to add 40 percent extra acres, take 60 percent supports and thus get in line to fit into the 10 percent below market price supports that are scheduled to go into effect in 1961. As an added feature to suck in the southeastern cotton areas with attractive bait, acreage allotments of 10 acres or less would not have to be cut below the 1958 allotment.

The bill now provides that in no event shall the market price of cotton be allowed to drop below 30 cents per pound for middling 1 inch; that's about 26 cents a pound for seven-eighths-inch middling which is currently the official grade for price-support purposes. The 26 cents compares with a 1958 support price of 31 cents.

#### RICE

Bill freezes 1958 rice acreage allotments permanently, and removes rice from category of basic commodities whose support level would be calculated according to the supply percentage table in the 1949 act. Thus, even if rice supplies are reduced the floor support level would not be raised. Instead, for 1959 and 1960, the support floor for rice would be a simple 75 percent of parity. Beginning in 1961 the rice support level would be calculated as 10 percent below the average market price for the preceding 3 years. Sets \$4 per hundredweight as minimum. (Which is subject to later change by Congress, of course.)

#### LONG-TERM PRICE IMPLICATIONS FOR COVERED COMMODITIES

This bill, which applies specifically to cotton, rice, corn and the other feed grains is a highly dangerous entering wedge to making a reactionary reversion to the fully flexible free market farm price policy of the early 1920's.

The reversion to free market pricing without market supply management and without compensatory payments goes into effect for corn and other feed grains in 1959 and for cotton and rice in 1961. Thus, the support and market prices of these commodities would swiftly fall to the long-term equilibrium free market level as during the 1920's and in the early 1930's, after the Federal Farm Board went out of business. The United States price of cotton and rice would be the price established in European and Japanese markets in competition with cotton grown in other lands minus the cost of transportation across the Pacific or Atlantic Oceans. The United States price of feed

grains would be established by the United States free market price of livestock which would be the Polish and Scandinavian price plus freight to the British Isles and France. Practically all economic statisticians who have studied the matter believe that corn would never rise above 95 cents in the Chicago market.

#### IMPLICATIONS OF BILL FOR COMMODITIES NOT SPECIFICALLY COVERED

More important to American agriculture as a whole, than even the destruction of the corn, cotton and rice programs by enactment of the bill, would be the economic and political time bombs that its enactment would set up for future destruction of all the other farm income programs provided in existing law.

#### WHEAT, TOBACCO, AND PEANUTS

The implications of the bill for wheat, tobacco and peanuts are practically obvious. If 10 percent below the free market and little or no market supply management is good enough for 3 of the basics (cotton, rice and corn) it ought to be good enough for the other 3. In addition, weakening the price support structure for cotton and corn will put added pressure on the wheat market in two ways (1), in the competition for land use and (2), in the market. And even more important, Congress could not be expected indefinitely to maintain existing programs for wheat, tobacco and peanuts, if the other 3 basics were operating on the 10 percent below market price formula.

If, as seems inevitable to me, the bill's principles were applied to these other basic commodities, then the wheat, tobacco and peanut marketing quota programs would be repealed and price supports for those commodities would be placed on the basis of 10 percent below the average of the previous 3 years with unlimited production.

No one knows for sure how far the price of tobacco would fall, certainly to the figure below which Rhodesia could no longer raise tobacco with what amounts to practically slave labor. The support level for wheat would drop to 10 percent below the domestic United States market price for corn plus 4 or 5 cents. Wheat would be lucky to average \$1 per bushel, year in and year out, with the price much below that in years of heavy world wheat supply in relation to the supply of corn and sorghum grain.

The support price for peanuts in this event would drop to 10 percent below the price the market would pay for their use for oil.

#### MILK AND DAIRY PRODUCTS

The bill has no provisions specifically for milk. As of now the existing 75 percent of parity floors for butterfat and manufacturing milk would remain in effect, as would the provisions under which Federal milk marketing orders are established.

But with feed grains and wheat on a 10 percent below market price support program, there would not be any lack of farm program wreckers who would spend a lot of time pointing to the unusually favorable milk-feed ratio and start raising Cain. Moreover, they would have some economic facts to point to. With feed grains and wheat on the free market, with livestock prices dropping to fit free market feed grain prices, there would be a great incentive for everybody who could to go into the business of producing milk for sale to the Government at the then relatively favorable 75 percent of parity fixed floor. Government purchases of dairy products would greatly increase; the amount of costs recoverable in distribution outlets would fall, and the net Government costs of the dairy program would soar. This would set the stage for a great hue and cry to add butterfat and manufacturing milk to the list of commodities that had been placed on the 10 percent below market price support program.



## BUTTERFAT

If butterfat were placed on the 10 percent below market price support floor, it would be only a matter of years until the support price for butterfat would drop to 10 percent below the wholesale price of oleomargarine; this would mean a drop from the 1957-58 support level of 58.6 per pound to less than 20 cents per pound.

## MANUFACTURING MILK

If the support floor for manufacturing milk were placed upon a 10 percent below free market basis, the volume of consumption of icecream would undoubtedly increase by more than the price fell. But the price of cheese, of dry milk solids and of evaporated milk would probably drop to the Philippine or Venezuelan free market price minus freight. The price of dry milk solids would fall to feed value, or less than the cost of transporting skim milk from the farm to the drying factory. United States cheese prices would drop to the European price minus Atlantic Ocean freight.

## CLASS I FLUID MILK UNDER FEDERAL MARKETING ORDERS

This type of milk, and the producers thereof, would be affected by this bill in three possible ways.

First, most of these producers bring to market a surplus of milk above that which goes into class I bottles for delivery to housewives. All of such surplus milk would drop in price as indicated above for manufacturing milk and butterfat. Consequently, the blended average price of participating milk producers in Federal order areas would fall as a result of lower prices for class II milk.

Second, in most market order areas the price placed on class I milk is determined, at least in part, by the market prices of manufacturing milk and butterfat. Thus the class I price would be deflected downward.

But, the third implication of this bill is probably the most dangerous to milk order area producers. The Federal milk orders, under the Agricultural Marketing Agreements Act, have special criteria for pricing of class I milk. But is it reasonable to suppose, politically, that if all other farm commodities and all other kinds of milk and milk products are being priced and supported under the 10 percent below market price theory, the the Federal milk order legislation will not also be changed to use the 10 percent below market formula rather than the criteria now specified in the law.

Former Assistant Secretary Earl Butz and present Assistant Secretary of Agriculture Don Paarlberg have in various speeches both pointed out that the same points made in favor of the Benson philosophy for manufacturing milk in relation to artificial supports were equally applicable to class I milk pricing under Federal orders. The implications of these statements, taken in relationship to the provisions of the Senate committee bill, seem clear and prophetic.

It would be just a matter of time until all milk was reduced to the uncontrolled free market level. Nobody now knows for sure how long that might be, but reliable estimates put it in the neighborhood of \$1.75 to \$2 per hundredweight compared with a current average price of all milk wholesale of \$4.11.

## SUMMARY

As is relatively clear from the foregoing discussion, I feel that the hidden and long-term implications of S. 4071, the Senate committee farm bill, are more dangerous and sinister than even the injustices specifically done to corn, cotton, rice, sorghum grain, rye, oats, and barley.

As I understand the deals that have been made, the administration has agreed to sign the bill as passed out of the Senate committee.

Because it provides for freezing rice acres at the 1958 level, reduces the scheduled cut in cotton acres, and eliminates corn allotments entirely, the bill has a certain amount of surface attractiveness to someone who takes only a quick look at its provisions.

Actually, the bill is a first step down a long road that ends in the kind of farm price situation that came about in 1932 after the Federal Farm Board beginning was abandoned.

It will be extremely difficult to defeat the committee bill. Lots of people hate to vote against a farm bill. The offer of the administration to sign it and give cotton and rice producers some acreage relief in 1959 will be persuasive. Every possible effort is being made to prevent any widespread knowledge of the provisions of the bill from becoming widely known prior to Senate floor consideration. The first effort by its proponents was to rush the bill through to passage even before Alaska was admitted to the Union.

Senator HUMPHREY stopped that by putting up a flag in the Democratic policy committee that the bill was controversial. Now it would appear that the bill will not be debated prior to the middle of next week, and probably not until July 11.

However, the committee report does not explain the true nature of the bill, but wraps the whole thing up in soothing sirup, as you can tell from reading it. Time was not adequate for HUMPHREY, PROXMIER, and SYMINGTON to make a complete and comprehensive analysis of the bill in drafting their minority views.

This bill goes a long way in the direction of adopting the major provisions that Benson and Eisenhower recommended at the beginning of the session. In fact, the bill differs only in minor particulars for the commodities to which the principles are applied in the bill.

Support levels of proposed bill compared with that which would otherwise be in effect for 1959 are shown in the following table:

## EXISTING PROGRAM

Cotton: 35 cents per pound.  
Rice: \$4.72 per hundredweight.  
Corn: \$1.36 per bushel.  
Sorghum grain: \$1.83 per hundredweight.  
Oats: 61 cents per bushel.  
Rye: \$1.10 per bushel.  
Barley: 93 cents per bushel.

## PROPOSED FOR 1959 IN SENATE BILL

Cotton: 29 cents per pound.  
Rice: \$4.33 per hundredweight.  
Corn: \$1.10 per bushel.  
Sorghum grain: \$1.60 per hundredweight.  
Oats: 57 cents per bushel.  
Rye: 96 cents per bushel.  
Barley: 90 cents per bushel.

In later years, of course, the prices of all these commodities would fall from year to year until the free market price stabilized at the world price or whatever other level it might stabilize at. Serious as these specific weaknesses of the Senate bill are they are outweighed by the long-term implications discussed above.

Since the Senate bill, if enacted into law, sets up the economic and political time bombs that could and probably would return all farmers to the unregulated unaided free market, it seems to me that this would largely open the way to usher in the era of farming by vertically integrated non-farm corporate management, probably most commonly chainstores.

Unless the trend in that direction were stemmed and changed, it would spell the doom of the family farm and family farm rural communities as we have known them. The agricultural producers then would not need farm organizations but a specialized type of bargaining agency somewhat similar to industrial labor unions.

Mr. HUMPHREY. Mr. President, this particular analysis is very concise. It covers each commodity—feed grains, corn, cotton, and rice. It shows the long-term price implications; the implications of the bill on commodities not specifically covered. It depicts the implications of the bill for wheat, tobacco, and peanuts. It gives a very fine portrayal of what will happen to milk, dairy products, butterfat, manufacturing milk, and, yes, indeed, class I fluid milk, which ordinarily is protected or taken care of under milk-marketing orders.

The summary analysis which has been prepared by the National Farmers Union legislative service on this particular bill is worthy of the careful consideration of every Member of the Senate.

Let me give as one example a comparison of the support levels of the bill with what is now in existence or what would go into effect for 1959 under the present law. Let us consider cotton. Under the present law, cotton would be supported at 35 cents a pound.

Under the present law, the price of cotton would be 35 cents a pound. Under the pending bill, it would be 30 cents a pound.

Under the present law, the price of rice would be \$4.72 a hundredweight. Under the pending bill it would be \$4.33.

At the present time, under the price-support levels, farmers who participate in the acreage-allotment program are receiving \$1.36 for corn. Under the pending bill the price would be \$1.10.

Under the existing law, which is not too good, the price of grain sorghums averages \$1.83. Under the pending bill, the price would be \$1.60.

Under the present law the price of oats is 61 cents a bushel. Under the pending bill, it would be 57 cents a bushel. So all Senators who voted for the bill would be able, when they returned home, to announce proudly in all the counties of their States in which oats are produced that they voted to cut the price of oats to 57 cents a bushel. Certainly that would be a cheerful message to the hard-pressed oats producers.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Missouri?

Mr. HUMPHREY. I am glad to yield.

Mr. SYMINGTON. No one understands more thoroughly than does the distinguished Senator from Minnesota [Mr. HUMPHREY] the agricultural problems of the country. All of us know of his devotion to the farmers of the Nation.

In a case of this sort, it is true, is it not, that facts are the things that count the most?

Mr. HUMPHREY. That is correct.

Mr. SYMINGTON. I should like to develop several facts, if I may, with the distinguished Senator from Minnesota.

The distinguished Senator mentioned, first, corn. It is true, is it not, that, in 1957, \$179 million of the money of the taxpayers was put into the Soil-Bank program, to reduce the production of corn; but the Government ended up with 222 million more bushels of corn in the



Commodity Credit Corporation stocks? That is a fact, is it not?

Mr. HUMPHREY. It is.

Mr. SYMINGTON. Moreover, there was no cross-compliance. Therefore, in my State, and, I am sure, in other States, the greatest change that occurred in the farmers' fields in 1957, as compared with the situation in the previous year, was the large amount of sorghums grown. Is not that correct?

Mr. HUMPHREY. Yes; and the sorghums have a high feed equivalent.

Mr. SYMINGTON. I believe it is about the same as corn.

Mr. HUMPHREY. Yes.

Mr. SYMINGTON. Is it not also true that many farmers placed corn acreage into the Soil Bank, received payment on the retired acres, and then proceeded to produce a crop with more feed value than had ever been grown on the farm?

Mr. HUMPHREY. Either as much, or more.

Mr. SYMINGTON. It is also true, is it not, that in the same year—as the Senator from Minnesota has well brought out—in which the compliers were paid \$1.50 for corn, the noncompliers were notified that they would not be paid anything? Yet later, for reasons which I am sure are well known to the distinguished Senator from Minnesota, it was announced that \$1.25 would be paid to the noncompliers.

Mr. HUMPHREY. Yes; the price for corn grown by farmers who did not come under the control program was \$1.25; and those farmers were permitted to plant all the corn they wanted to.

Mr. SYMINGTON. Is it not also true that today the basic problem may well be that the Department of Agriculture has never really tried to apply the controls which are provided by the law? Is not that a fair statement?

Mr. HUMPHREY. It is my view that the Department of Agriculture has looked with disdain on production controls, has endeavored to weaken the ones we have, and has felt that it could rely upon having the democratic process operate in the case of the prices—a plan which has not worked.

Mr. SYMINGTON. In 1933, the principle of parity was established, was it not?

Mr. HUMPHREY. Yes; in the 1933 act.

Mr. SYMINGTON. Over a period of 20 years, from 1933 to 1953, as the able Senator from Louisiana [Mr. ELLENDER] once pointed out—there was a total loss on all price-support activities of approximately \$1 billion. This included a loss of approximately half a billion dollars in the case of potatoes. Is not that correct?

Mr. HUMPHREY. The total, aggregate loss on all the operations of the Commodity Credit Corporation for 20 years was approximately \$1 billion plus, or the equivalent of 35 cents for each person in the Nation.

Mr. SYMINGTON. Whereas, in the case of cotton, there was actually a profit of approximately \$265 million; was there not?

Mr. HUMPHREY. That is correct; the operations in respect to cotton were very profitable.

Mr. ELLENDER. The actual figure is \$267 million.

Mr. SYMINGTON. I thank the distinguished chairman of the Committee on Agriculture and Forestry.

We know that because of weather conditions and floods in my State, there is a shortage of good-quality cotton. We also realize that cotton acreage will be reduced for the 1959 crop and that something must be done in regard to cotton. I believe the same general problem exists in the case of rice.

However, under the pending bill, the principle of parity, the basis of our farm program for 25 years would, in effect, be abandoned.

Mr. HUMPHREY. So far as the feed grains are concerned—oats, rye, barley, and grain sorghums—the bill would preserve the parity concept at 60 percent. But so far as the others are concerned, the parity concept would be abandoned.

Mr. SYMINGTON. The bill would maintain 60 percent of parity minimum price support on the feed grains; is that correct?

Mr. HUMPHREY. Only in the case of the commodities I have just now enumerated.

Mr. SYMINGTON. The floor is \$1.10 on corn, regardless of the value of the dollar. We have already heard of efforts to lower that floor. After 2 years' the parity concept for cotton would be abandoned.

Mr. HUMPHREY. That is correct; and that is a subject to which I have directed my attention today.

Mr. SYMINGTON. Because of the marking up of the Department of Defense appropriation bill, I did not have an opportunity to hear all the Senator's remarks.

The cotton farmer accepts the abandonment of parity in order to get a little more acreage in 1959, as would be the case under S. 4071. The effect may be similar to taking a narcotic in order to ease the pain at the moment: Momentarily the pain would be eased; but later it would be all the greater.

Mr. HUMPHREY. That is my view.

Mr. SYMINGTON. I thank the Senator from Minnesota. It is also my view.

If the basic reason for the pending bill is a desire to prevent sharp cuts in acreage of cotton and rice, is there any reason why that could not be done by means of a joint resolution passed by the Senate and the House of Representatives?

Mr. HUMPHREY. I believe a joint resolution, which requires Presidential signature, and is the same as statutory law, would suffice; and in that way we would be able to meet the acreage requirements for cotton and rice.

Mr. SYMINGTON. Then the only question would be whether the President would veto such a measure; is that correct?

Mr. HUMPHREY. Yes.

Mr. SYMINGTON. Some persons now are saying that if such a measure

were passed by both Houses, the President would veto it. Does the distinguished Senator from Minnesota think the President ever would have an opportunity to veto Senate bill 4071, even if it were passed by the Senate?

Mr. HUMPHREY. I believe that Senate bill 4071, the pending bill, will not reach the President. I have no positive assurance on that score; but from my conversations with Members of the other body, I find that Senate bill 4071 is not favorably regarded; and the members of the Committee on Agriculture in the other body have indicated privately to Members of this body that they will not take action on the bill.

It is true that that is only a feeling. On the other hand, it is just as much of a feeling as the feeling of those who say that they feel that the President would veto the measure.

Mr. MANSFIELD. Mr. President, is the Senator from Minnesota willing to yield at this time, in order that we may consider the conference report of the Department of Defense reorganization bill?

Mr. HUMPHREY. Certainly.

#### REORGANIZATION OF DEPARTMENT OF DEFENSE—CONFERENCE REPORT

Mr. RUSSELL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of July 23, 1958, pp. 13387-13390, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. RUSSELL. Mr. President, I move that the report be adopted.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

Mr. SALTONSTALL. Mr. President, is the conference report being taken up, or is it being agreed to.

Mr. RUSSELL. I have moved that the report be adopted. The Senate had already proceeded to consider the report.

Mr. SALTONSTALL. I simply wish to say to the chairman of the Committee on Armed Services that I think the bill in its present form is an excellent example of cooperation between the Congress and the Executive in assisting in the reorganization of the Defense Department at a time when we all know the security of our country means so much.



I congratulate the Senator from Georgia and the Representative from Georgia in reconciling the differences between the two versions of the bill in a way which I am confident will be satisfactory to the Executive, and which will result in a better bill than either the bill which was originally reported in the House or in the Senate. The two gentlemen from Georgia can take a great deal of the credit for this bill, which I know will be helpful to the security of our country.

Mr. RUSSELL. I am very grateful to the distinguished Senator from Massachusetts for his very kind remarks. They are all the more generous when we consider that he is one of the prime architects of the bill, and participated in its enactment at every stage of the proceedings and through the conference which was held on yesterday.

Mr. SYMINGTON. Mr. President, I should like to join my distinguished colleague from Massachusetts in commending the distinguished Senator from Georgia for the magnificent job he has done with reference to the defense-reorganization bill. Most wishes of the President have been granted. As the Senator knows, I think the bill does not go far enough; but, because of his diligence and his parliamentary efforts, we have a bill which is satisfactory to the administration. I believe it will be of great help to our national security.

Mr. RUSSELL. I thank the Senator from Missouri. He is one of the outstanding members of the Committee on Armed Services, and contributed most effectively to the formulation and passage of the bill.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from North Dakota.

Mr. LANGER. Will the Senator tell me what happened with respect to the provision concerning the National Guard?

Mr. RUSSELL. The House accepted the Senate amendment which made the National Guard Bureau a statutory agency.

Mr. LANGER. I thank the Senator. I join the Senator from Massachusetts and the Senator from Missouri in thanking the Senator from Georgia for his work. I think such legislation is long overdue.

Mr. RUSSELL. I am grateful to the distinguished Senator from North Dakota for his kind remarks. I share the hope that the enactment of the bill will contribute to economy in the administration of the Department of Defense, and, above all, in giving the Nation the means of defending that which we all hold dear—what we call the American way of life.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. JOHNSON of Texas. This Congress will enact no more important legislation than that embodied in this conference report. In my opinion, the conference report is before us today in the good shape it is in because of the diligence and dedicated and very able work of the senior Senator from Georgia.

There is no Member of this body who enjoys higher respect in the Senate and in the country, and it is certainly justified, as demonstrated by the job he has done in connection with this extremely complex and controversial piece of legislation. I express to him my personal gratitude for the long hours he has spent in resolving this extremely important matter for the sake of the Nation.

Mr. RUSSELL. I am very grateful to the Senator from Texas. In turn, I wish to thank him for his contributions to the progress of the bill. They were numerous and very helpful.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

#### READJUSTMENT OF RETIREMENT BENEFITS OF CERTAIN INDIVIDUALS ON EMERGENCY OFFICERS' RETIRED LIST

Mr. RUSSELL. Mr. President, I ask that the Chair lay before the Senate the amendments of the House of Representatives to Senate bill 1732, in order that I may make a privileged motion.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1732) to readjust equitably the retirement benefits of certain individuals on the emergency officers' retired list, and for other purposes, which were, on page 2, line 12, strike out "such grade" and insert "the base and longevity pay which any such officer received while serving on active duty in that grade during the period September 9, 1940, to June 30, 1946"; on page 2, after line 15, insert:

(c) All erroneous payments of emergency officers' retirement pay made after September 30, 1949 and prior to the effective date of this act to any individual advanced by virtue of the authority contained in this act on the basis of service credits certified by the military department concerned, are hereby validated.

And on page 2, line 16, strike out "(c)" and insert "(d)."

Mr. RUSSELL. Mr. President, I move that the Senate concur in the amendments of the House to Senate bill 1732.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to.

#### FISCAL STRAITJACKET AGAIN DOMINATES DEFENSE

Mr. SYMINGTON. Mr. President—

The PRESIDING OFFICER. The Senator from Missouri.

Mr. MANSFIELD. Mr. President, if the Senator will yield, I ask unanimous consent, under the circumstances, that as soon as the Senator from Missouri has completed his statement, the Senator from Minnesota [Mr. HUMPHREY] may again have his right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SYMINGTON. Mr. President, it is becoming increasingly clear that the

fall of 1958 will see a repetition of last year's cash crisis in the Pentagon.

This can only mean that once more there will be a tightening of expenditure ceilings; and cutbacks, stretchouts, and postponement of payments.

There are two sets of circumstances which may well bring this about.

First, as a consequence of the disastrous results of last year's cash crisis, the Department of Defense does not intend to again let itself get into the position of going through half a year before specific expenditure controls are intensified.

The Department has not forgotten that contractors' expenditure estimates were about 16 percent high last year. Nor have they forgotten that this caused the cancellation of some essential programs which might otherwise have survived.

In order to obtain a better job of planning, contractors are now being asked to furnish monthly expenditure estimates. While these are not actually called ceilings, they have the same net effect, because they put an immediate damper on any rising defense expenditures.

This action can only make defense contractors fearful of the consequences of exceeding their estimates; and, therefore, will bring on slowdown tactics—in effect, the opposite of efficient management.

Thus, we see once more the practice of placing fiscal considerations ahead of defense requirements. That is actually going on today, despite the current situation in the Middle East.

The second and more serious reason why cutbacks may be expected is the fact that the debt ceiling will not be high enough, at \$280 billion, to permit the Government to finance its programs for fiscal 1959 or 1960.

Administration fiscal experts have already announced that the Government deficit for the fiscal year 1958 was \$2,813,000,000; and it is universally agreed the deficit will be considerably greater in the fiscal year 1959.

Experts predict a 1959 deficit of between 8 and 15 billion dollars. A report issued 2 weeks ago by the Joint Congressional Committee on Internal Revenue Taxation leans toward the higher figure.

As clouds continue to gather in various parts of the world, the danger in this situation has even broader significance; especially because it is clear the debt ceiling in the second half of 1957 contributed to the administration's curtailment of defense programs.

It is also recognized that these curtailments were an important cause for the current recession.

In coming months, when increases in Government expenditures would stimulate economic recovery, the current debt ceiling could operate to choke off these expenditures, just at the time they were most needed.

Although the administration did ask for a temporary debt increase during the 3 previous years, last year it failed to make such a request. On the contrary, the debt limit was used as an excuse for



falling to provide an adequate defense effort.

Because of recent world developments, this year the administration may ask for an increase in the debt limit prior to the recess of the Congress; or it may again wait until the Congress adjourns and then again try, by referring to the debt ceiling, to blame the Congress for administration failure to carry out the defense programs.

Therefore, at this time the administration should ask the Congress to increase the debt limit to that extent required by the national program.

Moreover, the law should be amended so the debt limit applies to the year-end situations, rather than throughout the year.

Some observers believe that the administration is worried primarily about inflation and a balanced budget, despite President Eisenhower's assuring last November 14 that we "would not sacrifice security worshipping a balanced budget."

Those were his words, not mine.

It is becoming more and more clear, however, that these words are not being turned into action.

Since the President gave that assurance, let us look at the record.

According to the official statistics prepared by the Department of Labor, and thereupon analyzed by the President's Council of Economic Advisers, the value of the dollar has decreased some 2 percent since October 1957.

Based upon the 1957 gross national product of \$440.3 billion, this would amount to a decline in dollar value equal to \$8.8 billion.

The defense supplementals for the fiscal years 1958 and 1959 reflect, in budgetary terms, the reaction of this administration to the growing danger.

These two supplementals—one for \$1.3 billion, the other for \$1.6 billion—added together amount to less than seven-tenths of 1 percent of the 1957 gross national product of the United States.

There we have the picture: A 2-percent decline in the value of the dollar, and a seven-tenths of 1 percent increase in defense budget requests.

This of course reveals that since last October there has actually been a decrease in our defense effort; and the accuracy of that latter statement is nailed down by the fact that, according to the Department of Commerce, from October 1957 to April 1958, defense expenditures decreased at the rate of 3 percent.

Unless there is a decision with respect to the debt ceiling, we can be assured that even less will be done in the future than has been done in the past.

Last year the administration concluded that a \$5 billion increase in the debt limit was enough to handle an anticipated deficit of some \$1.5 billion for the fiscal year 1958.

Obviously, therefore, it is important to know, now, while the Congress is in session, how much of an increase in the debt limit is needed to handle the much greater estimated deficit for the fiscal year 1959.

Otherwise, regardless of any and all assurances, our defense effort will have to be curtailed.

If the administration does not make the proper request now, the problem engendered by the debt ceiling can only plague and endanger us later on.

With the world situation as it is, the people have the right to know the truth, so they can demand whatever action is necessary to meet the growing danger.

#### MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 2447. An act to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials and to provide basic data on the various chemical controls so that forests, croplands, wetlands, rangelands and other lands can be sprayed with minimum losses of fish and wildlife; and

S. 2617. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended.

#### AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. SYMINGTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the unanimous-consent agreement, the Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may yield to the Senator from South Carolina [Mr. THURMOND], who has a statement to make, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I suggest that my remarks appear at the conclusion of the address of the Senator from Minnesota.

The PRESIDING OFFICER. Without objection it is so ordered.

(The remarks of Mr. THURMOND appear in today's RECORD following Mr. HUMPHREY's speech.)

Mr. HUMPHREY. Mr. President, I am particularly interested in the observations which have been made about the

bill being a step in the right direction. I suppose if the bill is measured in terms of steps, it might be said that it is somewhat a step in a new direction, except that it is not the right direction; it is a step that is as slippery as a banana peel. I am afraid that the step in this direction would be like stepping on the proverbial banana peel. Without going into a physiological description of what happens to a person when he steps on a banana peel, even though the step might be in a new direction, the end result of the step would generally be disastrous.

The proposed legislation, quite frankly, is a patchwork product reflecting the frustration of Members of the Senate who are unable to reconcile their differences with a stubborn Secretary of Agriculture.

I do not think any members of the Agriculture Committee are very proud of this legislation, even those who support it. For the most part, it is the result of submission to what is virtually legislative blackmail—giving in to Secretary Benson, under the fear of otherwise getting nothing at all.

Repeatedly during the deliberations of the Committee on Agriculture and Forestry, as the present Presiding Officer, the distinguished Senator from Georgia [Mr. TALMADGE] well knows, when amendments were offered by some of us, we were told that if the amendments were adopted, no matter how meritorious they might be, we could expect the bill to be vetoed. In fact, in some instances when amendments were offered members of the Committee on Agriculture and Forestry suggested that it would be good to offer the amendments as new bills at a later time. It was admitted that the proposals were meritorious and sound, but we were told that the Secretary of Agriculture had informed the committee—and his representatives, his own technicians, were sitting in the committee room—that any amendments to the bill would mean that the bill would be vetoed.

That is a most unusual way for Congress to legislate. I believe in the separation of powers. I think it is fitting and proper that we receive advice and consultation from the Department; but to be told, time after time, as we offered meritorious proposals, that any amendment to the bill would result in its veto is, to my mind, unwarranted interference by the executive branch in the activities of the legislative branch.

Even in the debate thus far, we have heard the proponents of the bill say that if any amendments are made to the bill, other than those which the administration wants, such as the wool amendment, the bill will be vetoed. This was told to the junior Senator from Minnesota as he attempted to amend the feed grain section of the bill with nothing more than an alternative proposal containing no mandatory provision at all.

It is no secret that for more than 10 days there has been a conscientious effort on the part of some Senators to reach areas of agreement on proposed amendments which would improve the



bill. It is no secret that the leadership of the Senate has suggested to some of us who are members of the Committee on Agriculture and Forestry that we should attempt to find areas of agreement on amendments which would make it possible for use to expedite action on the bill. I have sat in conferences seeking that very objective. Those conferences have ended in utter futility, simply because in each and every instance the word came back that any amendments to the bill which were not approved by the Secretary of Agriculture would result in the veto of the bill.

Today there are in Washington many representatives of the agricultural producing States, particularly the States where cotton is a major crop, urging that the Senate pass the bill as it is, even though it is known that the bill is not adequate. They are urging that no amendments be adopted, because if amendments are adopted, so those leaders or representatives of the organizations say, the bill will be vetoed.

I can plainly understand why my friends from the States in which cotton and rice are produced do not want to have the bill tampered with in any way. I want my friends and my colleagues from those States to know that I am ever mindful of their problems.

No better presentation of the problem of the producers of cotton was made before the Committee on Agriculture and Forestry than was made by the present Presiding Officer, the distinguished junior Senator from Georgia [Mr. TALMADGE]. He pleaded the cause of the farmers of his State with logic, eloquence, and persuasiveness. Adjustments were made in the bill because of the very effective persuasion by the Senator from Georgia.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I should like to add to the statement by the Senator from Minnesota by saying that I was greatly impressed by the excellent presentation made by the junior Senator from Georgia before the Committee on Agriculture and Forestry on behalf of the cotton farmers of his State. He made a remarkable fight. It was a fight which improved the bill, as it would not have been improved had it been dictated completely by the Department of Agriculture. The Senator from Georgia made a great fight.

I may also say that I was disappointed the Senator from Georgia did not get what he asked for to begin with. Instead, he had to compromise. But I think he made a great fight and a tremendously persuasive fight for the farmers of his State.

Mr. HUMPHREY. Certainly that is also my recollection. I only wish that I could have been as persuasive as was he.

Mr. PROXMIRE. Furthermore, I wish to state that I was very happy to support the Senator from Georgia 100 percent in the committee, in regard to the cotton section of the bill.

Mr. HUMPHREY. The Senator from Wisconsin has pointed out that, as we developed the bill in the committee—and

we worked with perseverance and careful attention to details, and we held long hearings, at which we listened to representatives of every commodity group in the agricultural economy—suggested provisions which modified, or even improved the bill somewhat, I believe, were incorporated in it. For example, I point to the provisions for price floors, such as \$4 for rice, 30 cents for cotton, 60 percent of parity for the secondary feed grains—oats, barley, and rye—and \$1.10 for corn. All those changes were made during the committee's deliberations; and I believe those amendments or changes improve the bill.

But I still say that whenever we proposed, in regard to dairying, an amendment which would have done very little—it would merely have restored what was provided for last year—or whenever we proposed, in regard to feed grains, an amendment which would have allowed the farmers to have an alternative, as between a production-control program and unlimited planting, without control—in other words, whenever a proposal was made, not for compulsion, but merely to allow a choice—we were told that if such an amendment were added to the bill, the bill would be vetoed.

So now the Senate has before it a bill which provides for the very minimum that is needed by the producers of some of the agricultural commodities.

Therefore, I had to say in all seriousness, and most respectfully, to the distinguished chairman of the committee [Mr. ELLENDER], for whom I have the highest regard, and with whom I have been pleased to work—and I have tried to be a helpful and a faithful member of the committee “the trouble with this bill is that the farmers in northern Minnesota simply have a hard time raising cotton and rice.”

Mr. President, I did not become a United States Senator in order to drive an economic dagger into the backs of the farmers of Minnesota.

Therefore, when the feed-grains amendment was added to the bill, then—as the Presiding Officer, the gentleman from Georgia [Mr. TALMADGE] knows—I made up my mind that there would be a scrap.

If our friends who represent the areas in which cotton is produced and our friends who represent the areas in which rice is produced are satisfied with the provisions of the bill which pertain to cotton and to rice, that is one thing. However, the farmers in Minnesota do not produce those crops. I regret that the principle of parity as it relates to those crops, has been forsaken.

On the other hand, who am I to tell farmers in Louisiana and South Carolina who produce cotton the kind of cotton program they should have. I may have some economic views on that subject, but I think the Members of Congress from that area have a fairly good, basic idea regarding the kind of program needed for the production of that commodity. So we have gone along; we have tried our best to accommodate ourselves to the needs of the farmers in those particular areas.

However, Mr. President, in the State of Minnesota, in the great Midwest, which is the breadbasket of America, large quantities of corn, grain sorghums, oats, barley, rye, flax, and soybeans are produced. I must say that I am not ready to vote for proposed legislation which in my honest, sincere judgment would mean economic trouble for the agricultural-commodity producers of the Midwest, and also for the merchants whose living is dependent upon them, and also for the wholesalers and the manufacturers.

Mr. President, vast quantities of oats are produced in Minnesota. Dodge County, Minn., is the largest oats-producing county in the Nation. Dodge County is the home county of Kasson, Minn.

Mr. President, do remember of hearing of Kasson, Minn.? Do you remember that in 1952, Dwight Eisenhower and Adlai Stevenson made speeches there? But, Mr. President, in 1952 neither one of them promised that the price of oats would be less than the average market price for the last 3 years. I know more people in Kasson, Minn., than I know in Washington, D. C.; and I know the farmers of Dodge County. It is a wonderful agricultural county; and at Kasson, both of the two principal candidates for the presidency lifted their eyes to the heavens and, invoking the name of Divine Providence, pledged to the farmers of the Nation—and the pledge was made in the course of a nationwide radio and television program broadcast from Kasson—that they favored 100 percent of parity; and the present incumbent of the White House said that he favored 90 percent of parity prices supports and 100 percent of parity in the market place.

But now we are confronted with a bill which, in effect, would say to the agricultural commodity producers of my State, who have been receiving 61 cents a bushel, and sometimes less than that, for the oats they produce—in fact, during the last 3 years, the prices they have received have been the lowest in a decade—“You will have, as a price support, 10 percent less than the average price you have received for these commodities during the last 3 years, even though the prices in the last 3 years have been the lowest prices you have received during the last decade.”

Mr. President, I submit that when we examine the speeches made by Dwight Eisenhower, Ezra Taft Benson, Democratic candidates, or others who ran for office, we do not find that even of those political office seekers or office holders ever said, either in 1952 or in 1956, when they were seeking votes, that they would “stick” the farmer with 10 percent less than the average price for the last 3 years, which have been the worst years the farmer has had in more than a decade. However, that is exactly what the bill provides.

In the Senate Committee on Agriculture and Forestry, I said to my colleagues, “If you want to ‘mess around’ with cotton and rice because they are produced in the areas you represent, that is your privilege. But do not try to tell the farmers of my State that they are not



entitled to a better 'shake' than the one this bill provides."

One way by which the rice producers and the cotton producers can have some agricultural legislation enacted by Congress is to eliminate from the bill the present feed-grains section.

In fact, better yet, I shall offer an amendment which will permit any farmers who may wish to operate under that section of the bill, if that is really their desire, to go right ahead and do so.

But I believe that farmers who believe in crop controls and production controls should have an option. So we are going to submit, here in the Senate—as I submitted in the committee—a proposal which will give farmers an opportunity to take a chance with a production-control program which will provide higher price support, and will result in removing from production 20 percent of his acreage, and will make it subject to cross-compliance, and will place it in the conservation reserve for 3 years. That is the way to reduce the production of feed grains; and any farmer willing to do that would be entitled, under our proposal, to receive 85 percent of parity for corn; and in the case of other crops, he would be entitled to be paid on the basis of the parity equivalent and the feed value of corn.

So, Mr. President, we offered a good, honorable choice. But what was the response? Instead, the farmers of the Nation were confronted with a proposal which was advanced as a panacea for the feed-grain producers, although in my opinion it would be only a kind of quack remedy which would lead to further complications.

Mr. PROXMIRE. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I believe the Senator from Minnesota is making a great speech and a basically conservative speech. It is a speech in favor of the family farm and in behalf of attempting to preserve for the family farmer as much economic security as can be preserved.

I wish to call to the attention of the Senator from Minnesota an article, which was published today in the Washington Star which reads in part as follows:

Secretary of Agriculture Benson charged today that unnamed leftwing elements within the Democratic Party are trying to prevent the passage of farm legislation this year by attaching unsatisfactory amendments.

The article then states that the Secretary of Agriculture also said that the bill moves in the right direction.

The article also states that the Secretary of Agriculture would like very much to have added to the bill an amendment which would substitute slightly lower minimum supports for rice and cotton—slightly lower, Mr. President.

Mr. HUMPHREY. Imagine that. Will the Senator repeat that so the Presiding Officer, the Senator from Georgia [Mr. TALMADGE], will be sure to hear what the Secretary has in mind for us?

Mr. PROXMIRE. The Secretary has protested the amendments we have suggested or submitted. The article reads:

The Secretary said the administration would like very much to add one amendment to the pending bill. This would substitute slightly lower minimum supports for rice and cotton. And he said the administration is suggesting that the minimum supports voted be limited to a 2-year period, when Congress could take another look at the question.

I am used to being called names. We like our politics rough and ready in Wisconsin. But it does not dignify the office of the Secretary of Agriculture to be calling Senators who stand up and fight for their convictions leftwing elements in the Democratic Party. We are in pretty good company, in view of the fact that I hold in my hand an article from the St. Paul Dispatch. Let me read a portion of it.

Mr. HUMPHREY. Before the Senator does so, if he will yield, I may say we really appreciate the personal attention which the Secretary gives our fine producers in Minnesota, our good folk of religious faith, people of Nordic, Teutonic, and Scandinavian stock, whom the Secretary of Agriculture likes to abuse by calling them socialistic and leftwingers. The Secretary does not know his right hand from his left hand, so he certainly does not know what he is saying when he uses such epithets.

Mr. PROXMIRE. Let me read from an article appearing in the St. Paul Dispatch:

Wearing a big smile and an Ike button, Secretary of Agriculture Benson got off an airplane in the Twin Cities today and declared he wants to get the Government out of the grain business and every other kind of business suitable to private enterprise as fast as possible.

The article states, a little further on:

The socialistic tag is, however, one he has pinned on leaders of Northwest grain co-ops who have fought him and the Minneapolis Grain Exchange on issues of higher and firmer Federal price supports.

Let me also call to the attention of the Senator from Minnesota the fact that on July 10 of this year I put into the RECORD a statement from the National Catholic Rural Life Conference. No one can accuse it of being communistic or socialistic or a leftwing group.

Mr. HUMPHREY. The Senator means no one should.

Mr. PROXMIRE. No one should who understands the background of the group. Let me read from the policy statement adopted on June 18 of this year by the National Catholic Rural Life Conference:

We recommend that Congress consider limited direct payments to assist farmers in making necessary readjustments in production and marketing. These payments should be limited in three ways: (a) There should be a limit to the amount payable to any recipient, lest our Government should subsidize an already large and profitable farm enterprise. (b) The time during which governmental assistance will be given should be limited to that period in which the desired readjustments of production and marketing can be made. Subsidizing the overproduction of a particular commodity for many years is indefensible. (c) Payments should be made only to those who abide by

production and marketing quotas, whenever they exist, and who observe stipulated soil-conservation practices.

These are exactly the safeguards the Senators from Missouri, Minnesota, and Wisconsin have been urging—safeguards for the taxpayers; conservative measures, not leftwing or extreme radical proposals, but measures which would help preserve our family farms and do it in a fiscally responsible way.

I am shocked and unhappy to read that the Secretary of Agriculture is resorting to this kind of smear technique. I cannot say I am depressed. I am flattered whenever the Secretary of Agriculture abuses me, whether by name or otherwise, but it demonstrates the feelings he has.

Mr. HUMPHREY. I do not think the Secretary meant us in particular. He does not mention us by name. He talks about a certain kind of element. Of course, the description does not fit me. Since it does not apply to me personally, I shall have to pass it on to other members of the Democratic Party and let them see whether or not it fits them. I doubt if it does.

It would be interesting if we could send the National Catholic Rural Life Conference program to the Secretary and ask him what he thinks about it. The Department of Agriculture opposes production payments, which the National Catholic Rural Life Conference sponsors or recommends. We tried to get cutoffs on price supports. The Department did not support it, even though the President announced he was in favor of it.

One advantage of this administration is that the President may be for something, but it does not have much influence on officials in his administration. The President was for a summit conference. The Department of State said we should not participate in one. It is somehow hard to get messages over in this administration. There is something wrong in the switchboard at 1600 Pennsylvania Avenue.

I remember when the President supported the whole idea of limiting the amount of price support payments to any one farm. I supported it. I offered an amendment in favor of that proposition. When it was submitted to the Department of Agriculture, it was said such a proposal would not work. Support of it was announced only for publicity purposes.

Mr. President, we have two shows going on all the time. In one show Eisenhower smiles and says nice things. Then we have another show going on where other officials really go to work on these projects and put the finishing touches on them—and I mean "finishing" touches.

I think the RECORD ought to be clear tonight that the Secretary of Agriculture has seen fit to claim that the leftists block the farm measure. If we can block the farm measure, I do not think we can be called leftists. I think we can be called protectors of the public interest and the Public Treasury. The Secretary says the bill now pending moves, on the whole, in the right direction. What he



means is that it moves in the right direction "to the hole." He just got that sentence mixed up. As I stated earlier, one can be moving in the right direction, but he can also fall into one of the holes. That is what is happening in the case of this proposal.

Mr. President, very real problems exist for cotton and rice. Members of our committee have been anxious to provide corrective legislation. All of us are willing to do so. Yet Secretary Benson has made it abundantly clear that he will only let protective legislation for cotton and rice become law at a price—the price of slipping into the legislation an indirect way of achieving his objective of eventually doing away with our historic farm programs.

What we are witnessing is the direct result of this administration's use of its veto power to thwart the will—and the judgment—of the majority of the legislative branch.

Ever since this administration came into power, there have been sharp differences of opinion between the legislative and executive branches over agricultural policy.

Such differences became more pronounced when the people of this country entrusted control of the legislative branch to the Democratic Party while the Republican Party still controlled the executive branch.

Under our constitutional system, it is the responsibility of the legislative branch to establish legislative policy, and of the executive branch to carry out such policies.

Yet the veto power resting in the President gives the executive branch the power, when it decides to use it, to completely repudiate the majority will of the Congress.

I am sure it will be recalled that the Senate passed Joint Resolution 152, which proposed to maintain for this crop year the same price support levels and the same acreage levels which were in effect the previous year. The previous year's program was the administration's program. We said it might be a good idea to continue it for another year. It was an election year, and it was a bad time to legislate on farm policy. Secondly, as to certain parts of the program a greater trial was needed to enable us to ascertain how they were working. But, no, the administration decided it simply had to tamper with the program a little more. It had to reduce the price support levels and reduce acreage, so the President vetoed our resolution.

It was my hope, when the resolution was passed, that two things would take place. First, it was my hope that the resolution would give us at least a holding action for this year, so that when the next Congress came into session, after another congressional election, we could get an expression of what the people wanted in terms of agricultural policy. My second hope was that the resolution would give us time to develop long range agricultural policy. Both of those hopes were crushed. We see today the administration forcing its will, because of the plight of some agricultural producers.

The administration says, "All right; we will give you more cotton acreage. We will even sponsor that; but the price is to do away with the parity concept in agricultural legislation. We will give you more rice acreage, but the price is to do away with the parity concept. And later on, 3 years from now, there will be lower prices."

The same thing is true with respect to feed grains, with the exception of what are called secondary grains, as to which a minimum floor of 60 percent of parity was provided by a committee amendment. I want the Record to be clear. The administration does not want that amendment. The administration wants lower price supports and does not want any floor. As the Secretary said, the pending legislation moves in the right direction, on the whole. What he meant was, "in the hole." He does not want any floor.

Though my colleagues know this already, I want them to understand clearly that, as I said earlier, the objective is to take care only of cotton and rice and leave other commodities out. But the administration also exacted another price. The administration says, "We will help you with cotton acreage and allow up to 40 percent more cultivation," although only a year ago there was complaint about surplus cotton. The administration also says, "We will help you with rice acreage and give you a great deal more. We will even permit some minimum floors. But we have been trying to get rid of the price-support program on corn, so we would like to take a good whack at that." That is what the administration says. It is not going to do a merciful killing; that is, do it all at once. It is going to tease it to death, with a little clip here and a little clip there.

So corn for the first time since 1933, Mr. President, is no longer to be a basic crop. What is more basic in agriculture today than corn? Corn is to be denied the status of a basic commodity. No longer will there be a parity concept relating to corn, which is the basic agricultural commodity of America. No; corn is to be treated like some sort of ragweed; but for a little while, because the committee members insisted—and I was one of them who did—we are going to have a minimum price on corn of \$1.10. That does not mean, of course, there is a relationship to dollar value. Senators should not misunderstand the situation. As the dollar loses purchasing power, which it has continued to do each year because of inflation, there will be no adjustment upward in price. The minimum price will still be \$1.10 for corn. If there were a parity price-support level the minimum would come up as the purchasing power went down because of inflation.

I want to forewarn my colleagues. We are going to have a campaign this year, and I am going to be in it. I am going to talk to some good farm audiences. I talked to many such audiences in the last campaign. I am receiving invitations, as other Senators are, by the dozen, to talk to farm audiences. Those invitations come not only from my State,

but from State after State. I am going to talk to some of those audiences. We are going to have it out as to whether the farmers think they are entitled to parity or whether they are entitled to less than parity, 10 percent less than the lowest prices they have had in the past 10 years. That is what the farmers will get under the bill presently under consideration.

Mr. PROXMIRE. They will get 10 percent less every year.

Mr. HUMPHREY. The Senator is correct. They will get, every year, 10 percent less than the average of the last 3 years' prices. The last 3 years' prices in the past decade have been the lowest 3 years the farmers have had.

I have great faith in the American people. I do not think they expect to have special privileges, but they would like to have reasonably equal treatment. When we talk to farm audiences we will say, "Do you remember 1952? I think oats were selling at about 80 cents a bushel, and now oats are down to around 60 cents a bushel. In the past 3 years, oats have been off about 15 cents a bushel from the price in 1952 and 1953." Do not Senators think the farmers will be interested, when they are told that the program which was supported by the administration and passed by Congress is a program in which the oats farmer will get a price equal to the average price of the 3 worst years he has had since the end of World War II? He will get the average price of the 3 worst years. Then he will get 10 percent less than that, and each year he will get 10 percent less than the worst he had the previous year.

I want to work on that talk. I am going to make it a good talk.

Mr. President, recognizing that such a situation could lead only to a stalemate in which farm people are the unwilling victims, most of us interested in agriculture in the majority party in Congress have seriously endeavored to find reasonable compromises which the administration would accept—knowing from the start that we would have to yield considerably in many of our viewpoints, but hoping to find a similar reasonableness in the executive branch.

Unfortunately, all such efforts have been rebuffed. All the yielding had to be from the legislative branch.

A good example is the farm price and acreage freeze enacted earlier by both the Senate and the House—only to be vetoed by the President, is bowing to Secretary Benson's wishes.

When it became apparent early this year that at least some of agriculture's most urgent problems had to be met, whether we were able to agree or not on future long-range policy, some of us sought to explore the very simplest way of clearing the atmosphere of farm-policy conflict.

We merely asked to preserve the status quo. We did not seek fundamental changes in farm policy. We did not even ask that farm-income protection be improved, as urgently as it was needed. We only asked that the administration accept our appeal to hold the line—to keep prices from being pushed



down yet further, and to keep acreage from being pushed down still further on cotton and rice.

If that temporary freeze had been accepted, the door would have been opened for the legislative and executive branches to work closer together in tackling at least some of the individual commodity problems—and we might well have been able to produce some constructive farm policy changes in such a cooperative spirit.

But the door was slammed in our faces. The price-freeze resolution was vetoed.

And when it became apparent that the Congress lacked, by a mere handful, enough votes to reach the two-thirds required to override the veto, the Secretary or Agriculture became emboldened enough to renew insisting that things be done his way or not at all.

I regret and deplore such an arrogant attitude on the part of any nonelected governmental official—placing himself above the combined vision of our legislative processes.

In my humble judgment, most Cabinet members of either political persuasion, finding themselves lacking the confidence of a majority of the Congress, would do either of two things:

First. Get out, and give someone else a chance to see if ways could not be found to achieve something for the farm families he is supposed to represent; or

Second. Go to work at trying to reconcile his differences with Congress, in the hope of regaining the confidence that is now lacking.

Secretary Benson did neither.

Secretary Benson was given a majority vote of no confidence earlier in this session. Yet, instead of getting out or trying to reconcile his differences and win back majority support, Secretary Benson arrogantly seized upon the threat of Presidential veto as a new weapon to try and force his will upon the Congress.

Rather than showing real concern about cotton- and rice-acreage problems, he seized upon them to use as a tool to gain other objectives which Congress has otherwise declined to accept.

Just as Secretary Benson has repeatedly in the past endeavored to play one group of commodity producers against another, to the detriment of all agriculture, he once again has used his divide-and-conquer tactics to try to force a fundamental change in farm policy through this Congress as the price for averting further cuts in cotton and rice acreage.

Some have reluctantly bowed to this threat.

Others of us refuse to do so, because we believe reasonable ways can be found to meet the immediate problems of cotton and rice without yielding to any blackmail price.

Let me call attention to a portion of the minority report on this legislation, which reads:

As much as we recognize the need for corrective action on cotton- and rice-acreage allotments, we cannot concur in blindly accepting the dictates of any Secretary of Agriculture as to what can be in a bill, or what cannot be.

We welcome the Secretary's recommendations. We have always given them serious

study. But we are not ready to delegate to him our legislative powers and our legislative responsibility.

We are not convinced that a majority of the Senate committee really believes this bill is satisfactory legislation. We think the cotton section could have been better. We think that the rice section could have been better.

We think, too, that a majority of the committee stands ready to support and report more effective legislation for corn and feed grain producers, for wheat growers, and for dairy farmers—except for the constantly repeated threat of a veto, and the fear that even the compromise cotton and rice provisions would be rejected if the committee took any action on these other commodities of which the Secretary did not approve.

We cannot subscribe to abandoning our legislative responsibilities and permitting such usurpation of legislative power by the executive branch.

We are unwilling, in the face of the serious plight of farm families, to support legislation for corn and feed grains, for example, which offers no corrective cures but instead merely reduces what meager income protection these farmers already have.

The test that was applied to alternative proposals in the Senate committee's decision was not whether it was good for the farmer; the test became whether or not the proposal would be accepted by Secretary Benson. We submit that the veto power rests in the President, and should not be delegated to the Secretary of Agriculture and used by him to control drafting of legislation in our committee.

That is the end of my quotation from the minority report.

It summarizes our attitude toward this pending bill. It raises a serious question of the proper relationships between the legislative and executive branches of our Government, under our Constitution.

If we bow now, we are merely proving that Secretary Benson's arrogance is well founded in deciding there is no need to heed at all the views of the Congress; we may well find that same arrogance spreading still further in a lame duck administration no longer too responsive to the needs and desires of the American people.

For that reason many of us feel that we must make a stand, for what we feel is right and just—whether Secretary Benson approves or not.

Our purpose is not just to block this bill, nor just to invite another veto for political propaganda purposes.

Our purpose is to preserve fundamental principles, while still endeavoring to meet the urgent problems of cotton, rice, corn, and feed grain, and dairy producers in a moderate form that could and should be accepted by the administration without a veto if it is willing to meet us even part way in reasonableness.

Rather than just destroy this bill or even defeat it, those of us opposed to it hope to rewrite it through a series of amendments designed to make it more acceptable to all.

I hope those supporting this bill, because of their concern for cotton and rice, will seriously consider these amendments, and consider the spirit and attitude in which they are being offered.

They are being offered in the hope of making the bill acceptable, not only to many of us in the Senate, but to the House as well.

Spokesmen for the agricultural committee of the other body have already

indicated the bill in its present form is wholly unacceptable.

Chairman COOLEY of the House Agriculture Committee has declared publicly that he does not believe we can enact any farm legislation this session, in view of the attitude of the administration.

Congressman JOHNSON of Wisconsin, member of the House committee, strongly attacked the present version of the Senate bill in a statement on page 11958 of the CONGRESSIONAL RECORD for July 8 entitled, "Shall We Cut the Farmers Income in Half?"

I urge my colleagues to read that statement. Representative POAGE, of Texas, ranking Democrat on the House Agriculture Committee, has indicated his concurrence in Representative JOHNSON's views.

These are facts of life that confront this legislation.

I repeat to my friends from cotton and rice producing States: simply yielding now to Secretary Benson by no means assures you this legislation will ever become law. Our task, rather than just please Secretary Benson, is to seek minimum, moderate, solutions acceptable to ourselves, acceptable to the House, acceptable to the farm people in whose behalf we are acting, and, at the same time, acceptable to the President. Let us keep our perspective in proper order.

It would be a deception to mislead cotton producers and rice producers into thinking this legislation has more chance of success if it remains unchanged.

Unless it is amended, many of the staunchest friends of agriculture in this Chamber will be compelled, on principle, to vote against it.

Unless it is amended, it invites the automatic opposition of midwestern and western agricultural areas controlling substantial blocs of votes in the House—and further divides agriculture by forcing regional differences when we should be working together for the best interests of all farmers, everywhere.

Unless it is amended, it stands little or no chance of ever getting out of the House Committee on Agriculture.

The burden of what happens to farm legislation at this session rests on the shoulders of those who brought this bill to the floor, and support it; not upon those of us seeking to improve it.

If this is merely another idle gesture to permit some recorded votes, with no serious intent of the bill ever becoming law and helping farmers, then let it be voted up or down on its merits—or, more likely, lack of merit.

If, however, this is a serious effort on the part of some to find corrective answers to problems of the cotton and rice industries, then in good faith, I call upon them to join those of us opposed to the bill in its present form in a sincere effort to make it more acceptable not only to the Senate but to the House as well.

In my opinion, to become acceptable the legislation would have to at least undergo these moderate changes.

First. Without endeavoring to change the proposed new price support levels for the next 2 years, the bill must at least preserve the parity concept by abandon-



ing the shift to pegging the future support level for cotton and rice to 10 percent less than the free market price in the third year. This means restoring the parity concept to the bill.

Second. Without rejecting the determined effort of the administration to throw the gates wide open for unlimited production of corn and feed grains at lower support levels, the bill must at least preserve the opportunity for the individual farmer who prefers retiring part of his acreage in the hope of bringing production more nearly in balance with demand by offering him the incentive of a reasonably higher support level in return for doing so under strict conditions of cross compliance and acreage reduction.

Third. Without endeavoring to provide an entirely new program so urgently needed for dairying, the bill must at least reflect the concern of Congress with the serious economic plight of dairy farmers by, at the very minimum, providing a support floor near where the ranking Republican on the Senate Agriculture Committee has repeatedly indicated the administration might have accepted had it not been included in a general freeze of all farm prices.

Fourth. Without endeavoring to tie the hands of the Secretary of Agriculture with any compulsory program, the bill must at least authorize him to purchase and divert for overseas relief purposes an amount of edible oil equivalent to any increased cottonseed oil production resulting from the expanded cotton acreage proposed under the bill, which would otherwise result in millions of dollars in lost income on competing products through depressing prices of soybean oil, lard, and butter.

I repeat, this is merely discretionary authority. There is no mandatory requirement. I merely feel that the Secretary should have such authority if we are to expand the cotton acreage.

Let me emphasize that these are the very minimum of improvements that need to be made. Amendments will be offered to provide for each. Other amendments will be proposed that go much further, and I shall support some of them because I believe they are right.

But in the spirit of reasonableness and fairness with which I am attempting to approach the legislative problems confronting this legislation, I have attempted in full candor to set forth the minimum changes which I feel must be made to ever gain acceptance of this legislation by the present Congress.

I have said this to the majority leader. I have told this to the chairman of the Senate Committee on Agriculture and Forestry. I have mentioned these four minimum amendments to most of the members of the Senate Committee on Agriculture and Forestry. I have found that most of my colleagues feel that those amendments are reasonable, but I have also found that even though they consider them to be reasonable, the administration lays down the law and says, "If you accept any of these amendments you can expect the bill to be vetoed."

Possibly there is one exception. I am hopeful that the administration will be willing to accept the so-called vegetable

oil amendment. I have reason to believe that if we take a firm position in the Senate on the vegetable oil amendment, it will be accepted by the administration.

I ask any reasonable person, Are those four amendments very radical? Do they sound like the product of leftwingers? One amendment merely proposes to restore the parity concept contained in the law in 1933.

The next amendment proposes a dairy price support program of the kind which the ranking minority member of the Committee on Agriculture and Forestry thinks is fair.

Another amendment relates to feed grains, as to which a farmer will have a choice. If he wishes to produce at lower prices, with unlimited production, let him do so; but if he believes that production should be cut back, that some acres should be retired and put into the conservation reserve on a 3-year contract, with cross-compliance, he is entitled to a little better price-support program.

These are the most modest amendments anyone could offer. All I am attempting to do is to have a bill for which I can vote. Some of my friends from the South need some relief with respect to cotton acreage and rice acreage. I want to vote for a bill which provides such relief, but I do not wish to do so and, at the same time, destroy every principle in connection with agricultural policy in which I have always believed.

I am not asking for higher price supports. We are not even trying to raise the price supports. We are merely saying, "We would like to give the corn farmer a free choice." If there is to be brought into the market a large quantity of cottonseed as the result of an expanded cotton acreage, we want to see that our soybean producers are not destroyed. That is a fair request.

We are saying to the Secretary, "We are not going to compel you to do anything, but here is the authority in case we get into trouble because of an increase in cotton acreage and cotton seed production. You may buy vegetable oil for overseas relief purposes."

Everyone knows that edible oil is like gold overseas. People are crying for it.

Finally, we are saying that we would like to have a feed grain program under which farmers could stand by their convictions. Thousands of farmers really believe that if there is a price-support program, there should be some controls. They are fairminded people. They do not believe in a free ride.

I have never in my life experienced the kind of adamant obstructionism and stubbornness I have experienced in this situation.

Many a member of the press has asked me: "Senator HUMPHREY, why is it that a farm bill is not coming up?" I should like to state why a farm bill has been delayed. First of all, there was not very much support for it in the Policy Committee. That is one reason. The Policy Committee, of course, schedules legislation for consideration. The Policy Committee always feels a responsibility to the chairman of the committee which reports a bill. More importantly, there

were responsible Members of the Senate who tried to find an area of agreement on some reasonable, moderate, and token amendments.

Just as I break this pencil with my fingers, the Secretary of Agriculture said, "No. You will get nothing." Well, Mr. President, he is going to get a fight. He is not going to put an economic curse on the farm producers of my State without at least my standing here and fighting him. I did not come to Washington merely to please an appointed official of the President. I did not come to Washington to sacrifice my principles. My father before me spoke up for parity and price supports in the legislature of my State. This is a matter of faith with me. It is not a matter of political expediency.

I am one of the Senators who are not farmers. I cannot even claim to have been born on a farm. But I know enough about economics to be aware that unless agriculture has a reasonably good break, there will be no drug-stores or grocery stores or department stores, or that they will be in trouble.

I was in South Dakota not long ago. I visited my mother and brother there. We have a business there. We do business with rural people. Rural people understand farm prices. They understand price supports. They understand parity. Woe to the member of this body from a rural community—and this applies also to the House—who thinks farmers do not understand parity. Anyone who votes for this measure to repudiate the principle of parity will have a nice retirement into private life. He will have it deservedly, Mr. President. Oh, I know it is possible to get by with it in the great metropolitan areas, where people are not particularly attuned to agricultural economics. That is one of the sorry things which has developed. The Government of the United States has been a party to it. I refer to dividing our city people from our farm people, and spreading discontent among them.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not true that an examination of the voting records in the House will disclose that the Democratic Members from the large cities have a better voting record on farm issues than the Republican Members from country districts?

Mr. HUMPHREY. The Senator is essentially correct. I do not believe we would have had many farm bills passed in Congress if that had not been the case. I must say that it becomes rather discouraging for some Representatives from cities to vote for farm measures, only to have the President of the United States veto them, and then have the Secretary of Agriculture proudly proclaim the veto, and then have the newspapers say that the Secretary is getting more popular every day.

He is not winning any popularity polls in my State. I do not intend to run against the Secretary of Agriculture. He is not a candidate. Of course, if he wants to do so, I hereby issue an invitation to him. He can take out residence in Minnesota. It takes only a year to



establish residence. He can establish residence in a year and file for State and local office.

However, it is not a question of Senator HUMPHREY versus Secretary Benson. That is not the issue. The issue is an economic one. The issue is a social one. It is not a personal squabble. I find the Secretary to be a very pleasant man whenever I meet him on social occasions. I know of his strong convictions and of his personal attitudes. I am not getting involved in those matters. I do not like to deal with personalities. However, I must say that the economic philosophy of the Secretary of Agriculture is something I cannot stomach.

Even with changes, the bill will certainly not be a satisfactory solution to pressing economic problems of our farm families.

But with these changes, it will at least preserve the historic principles of our farm programs, instead of abandoning them.

And with these changes, it will change the legislation from a bill primarily of regional southern concern to one of nationwide interest and effect that could possibly mobilize the needed support for passage in the House.

All of the changes proposed as a minimum are purposely moderate to such a degree that they should be completely acceptable to the administration—except for sheer pique. None go beyond principles which spokesmen for the administration themselves have espoused.

If they were accepted, I have no doubt that this legislation could be quickly approved in this body—possibly with a big enough vote to assure no threat of any further vetoes.

If that happens, there is a reasonably good chance of similar favorable action in the House—a far better chance, at least, than on the legislation as it now stands. I certainly hope no one is deceived for one moment that the blocking of a rule for the House omnibus farm bill means Secretary Benson has any chance of achieving a working majority in the House for farm legislation bearing the distinct stamp of his personal dictates.

However, until there is some evidence that there has been enough awakening to the realities of this situation, and awareness of the fundamental dangers in the present legislation before us, I feel compelled to serve ample notice on my colleagues that this issue will not be disposed of quickly.

Considerable time may be required to make the record perfectly clear as to what is really involved in this fight, what is happening in agriculture today, where we may be headed if we make the dangerous mistake of blindly accepting the expediency of this new course in farm policy. There is much to be said on all these points, much that needs to be said. And I intend to say it. I do not begrudge the time, nor the energy—when I feel so deeply that the future well-being of all American agriculture is at stake.

I may say at this point that speaking here is not particularly a very popular thing to do, because very little of what is

said here is reported to the people. I do not say that it is not reported. It simply does not get to the people. As has been said by one of my colleagues, most of the weekly newspapers will carry it in a critical manner so far as the junior Senator from Minnesota is concerned. I do not see any good publicity coming out of all this. I can think of many other items, from a purely personal point of view, to which I could devote my time and effort with more enjoyment to myself.

However, I believe these things need to be said. When the Secretary of Agriculture or any of his spokesmen try to redesign the agricultural policy to the detriment of the farmers of America, particularly the farmers I, in part, am privileged to represent, although I may not be the best scrapper in the Chamber, I am nevertheless not ready to run for cover. There will have to be some discussion of every amendment.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I should like to say to the Senator from Minnesota that there is no better scrapper in the Senate than the Senator from Minnesota. The farmers of Wisconsin have long considered him to be their true champion. The Senator from Illinois has made an extremely good point. It has taken real courage for Representatives from our cities to stand up as they have. I point proudly to the Representatives from my State who represent the city of Milwaukee, CLEMENT ZABLOCKI and HENRY REUSS. They have as good a record as any Democratic Representative from a rural district, and far better than any Representative in the Republican Party. It is a record which has taken real dedication and conviction to establish. I say that particularly because the newspapers of my State, as is true of the newspapers of Illinois and Minnesota, are overwhelmingly on the wrong side of the agricultural issue. They are not truly reflecting the interests of not only the farm population but of all of the people. As the Senator from Minnesota has made clear in his speech, we cannot have a prosperous America in the cities unless we have a prosperous America on the farms.

I should also like to point out that our small towns and villages and crossroads have suffered severely from the 6-year farm depression. On the farms of Wisconsin it is not merely a recession; it is a full-scale depression. It is a full-scale depression when the average—not the low—the average hourly income of our farmers is 45 cents an hour. That is a full-scale depression. It is a full-scale depression when we are driving literally thousands of farmers off the farms in Wisconsin, and hundreds of thousands off the farms of America.

That is why I believe it is so important that somehow the message be gotten across to the American people. As I said earlier, it is an exceedingly thin voice that comes from a very junior Senator as he takes his place in this battle. I say with all my strength and all my

earnestness that the story from the farm standpoint and from the standpoint of the farmers of America has not been told to the people of America. It is almost impossible to get the story through the paper curtain of the Reader's Digest, the Chicago Tribune, and the Milwaukee Journal. I have great respect for the Milwaukee Journal. However, it is dead wrong on this issue, as most great newspapers in America are. I thank the Senator from Minnesota for yielding to me.

Mr. HUMPHREY. I am very grateful to the Senator from Wisconsin. In the 9½ years I have served in the Senate I have spoken many times on the subject of agriculture. I hope I have also spoken with some effectiveness. I have spoken for long hours, in the hope of getting the message across. The Senator from Wisconsin is a wonderful partner. I welcome him into the fold and into the battleline here.

Now I yield to the Senator from Illinois.

Mr. DOUGLAS. I congratulate the Senator from Minnesota for the speech he is making. On page 17 of the bill it is stated:

That the level of price support for any crop of corn shall not be less than \$1.10 per bushel.

Mr. HUMPHREY. Yes; that is correct.

Mr. DOUGLAS. Am I correct in assuming that this is about 62 or 63 percent of parity?

Mr. HUMPHREY. The Senator is essentially correct. I believe it is a little more than 62 percent.

Mr. DOUGLAS. On page 18 of the bill I observe that the level of price support on rice for the next 2 years is to be 75 percent of parity.

Mr. HUMPHREY. That is correct; "not less than 75 percent of the parity price."

Mr. DOUGLAS. Earlier in the discussion of the price of the floor support for cotton, the price was stated as 30 cents a pound.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. What percentage of parity is that?

Mr. HUMPHREY. That is more than 75 percent.

Mr. DOUGLAS. It is about 80 percent, is it not?

Mr. HUMPHREY. I think the Senator is correct. It is about 79 or 80 percent. In round numbers, I think it is about 80 percent of parity, perhaps higher.

Mr. DOUGLAS. Why should cotton have approximately 80 percent protection, rice 75 percent protection, but corn only 62 percent protection?

Mr. HUMPHREY. If I knew the answer to that question, I think we would have a better agriculture bill. I have tried to get the answer to the question. The answer I see here is that the Department of Agriculture is willing to support those figures.

By the way, I am not complaining about this. I hope the Senator knows my position is that I think rice and



cotton are entitled to those price supports.

Mr. DOUGLAS. So long as corn is to have only 62 percent of parity, I am opposed to rice having 75 percent and cotton 80 percent.

Mr. HUMPHREY. I know that what the Senator from Illinois really means is that he would like to see a better deal for corn. We do not want to tear anyone down; we would like to get our segment of the economy a little way up. Is not that correct?

Mr. DOUGLAS. I have voted for a general, comprehensive farm bill to protect cotton and rice along with other commodities.

Mr. HUMPHREY. The Senator from Illinois certainly has.

Mr. DOUGLAS. But the moment I see corn dealt out and certain other commodities dealt in, then I protest.

Mr. HUMPHREY. I am delighted that the Senator from Illinois has protested. His voice is always strong, powerful, and courageous. It would be well if we had more protesters around here.

Mr. DOUGLAS. I point out that corn is also removed as a basic commodity.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. What is more basic in American agriculture than corn? It is the greatest food we have.

May I ask the Senator another question?

Mr. HUMPHREY. Certainly.

Mr. DOUGLAS. It is stated that the administration will support a wool bill, which is to be grafted onto the bill we are now considering. So we will once again have a farm alliance of the cotton-growing States, the rice-growing States, and the wool-producing States; a merging together; but with the Middle West dealt out once more.

What is the present price-support proposal for wool?

Mr. HUMPHREY. I assure the Senator from Illinois that it is not 1 cent less than 90 percent of parity. Last year it was 106 percent.

Mr. DOUGLAS. Yes; exactly; 106 percent of parity for wool, but 62 percent of parity for corn.

Mr. HUMPHREY. The Senator is correct.

Mr. DOUGLAS. How can that be reconciled?

Mr. HUMPHREY. It cannot be reconciled. I have been trying to say, time after time, that one of the cleverest politicians in Washington is the Secretary of Agriculture. He has learned how to divide and conquer. He has fought, time after time, to split our ranks.

It is no secret that in 1956 there was a special program offered for cotton. Another special program was offered, at the tail end of the year, for corn.

As I said earlier, in 1956, when consumer prices were not so high as they are now, and during the presidential election year, there was a floor of \$1.25. The farmers were told they could plant all they wanted to plant at \$1.25.

Now the floor is \$1.10. That proves that presidential years are more expensive than congressional election years. The price of \$1.25 for corn in 1956 filled the bins. We have been in feed grain trouble ever since.

Mr. DOUGLAS. This problem is of great importance to my State, because its two great crops are corn and soybeans.

Mr. HUMPHREY. Both those crops are given the works in this bill.

Mr. DOUGLAS. Illinois is the second largest corn producing State, next to Iowa. In 1 year we surpassed Iowa. Illinois is the first State in soybean production.

Mr. HUMPHREY. Minnesota is the second State in soybean production.

Mr. DOUGLAS. Does the Senator agree that there will be an increase in cottonseed production?

Mr. HUMPHREY. I am quite sure of it.

Mr. DOUGLAS. How much will the increase be?

Mr. HUMPHREY. When the question was first discussed with the Department of Agriculture, they thought there would be an increase in the total amount of edible oils—by the way, that is the way the amount must be figured, because one product is competitive with the other—of between 3 and 4 percent.

Mr. DOUGLAS. How much of that will be in cottonseed?

Mr. HUMPHREY. There will be an increase of about 3 to 4 percent in total edible oils.

Mr. DOUGLAS. How much of an increase in cottonseed will there be?

Mr. HUMPHREY. About 30 or 40 percent.

Mr. DOUGLAS. An increase of 30 or 40 percent in cottonseed?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. And oil?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. How much will the increase be in soybean oil?

Mr. HUMPHREY. The point is that no one knows what the soybean situation will be, except that it will be worse. We have no indication of the increased amount of plantings of soybeans. What we are talking about is that cottonseed is competitive with or supplemental to soybeans.

Mr. DOUGLAS. Certainly.

Mr. HUMPHREY. Under the bill, there can be an increased acreage of as much as 40 percent for cotton.

Mr. DOUGLAS. Does not cottonseed come from cotton?

Mr. HUMPHREY. If the total edible oil stocks are increased 3 or 4 percent, the price of edible oils will be reduced as much as 5 percent.

When the Department learned that I had an amendment, they did a retake. We were first sort of fishing, assuming theoretically; but when we got down to pay dirt, down to where it was necessary to fish or cut bait, we said we had an amendment, and we wanted to know what the effect of the amendment would be. We wanted to know what the effect of the new plantings of cotton would be.

The Department then reduced its estimates. I believe the new estimates of total edible oils were one-half of the original estimate, or about 2 percent, which would result in about a 3-percent drop in price.

I think these are very conservative estimates. All I can say is that whenever we legislate so that an incentive is

placed upon an increase of a certain commodity which is competitive with another, but do not provide any protection for the second commodity which is competitive, we are opening up a Pandora's Box of trouble.

Mr. DOUGLAS. From what the Senator from Minnesota has said, the price of soybeans and of soybean oil will go down in the coming year.

Mr. HUMPHREY. That is correct. That is our estimate.

Mr. DOUGLAS. What is in the bill for the farmers of Illinois?

Mr. HUMPHREY. My silence is indicative of what is in the bill for the farm producers of Illinois. There is something more than nothing in the bill: Trouble.

Unless some amendments are adopted, to make certain that the volume of edible oils can be properly utilized and properly managed with orderly marketing procedures, the soybean producers of Illinois, Minnesota, Indiana, Iowa, Michigan, and other States will be in trouble. Soybeans have become one of our large crops. It has been a crop with respect to which there has been no trouble, because all the way through the program, I have seen to it, as one member of the Committee on Agriculture and Forestry, that the price support levels for soybeans and cottonseed were always in balance. For the first time, the balance is being destroyed.

Mr. DOUGLAS. As I understand, the support levels on the so-called competitive feed grains, namely, rye, oats, barley, and grain sorghums, will be tied to the feed equivalent of corn.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. So as corn goes down, all the competitive feed grains will go down, too.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. Therefore, is not the bill a direct blow at the upper Mississippi Valley?

Mr. HUMPHREY. I interpret the bill to have no beneficial effects for the upper Mississippi Valley, for the Middle West, and even many sections, I may say, of the feed-grain producing South. There are many areas in the South and in the West, and along the eastern seaboard in which there will be no beneficial effects.

Mr. DOUGLAS. How can such a monstrosity be brought to the floor of the Senate?

Mr. HUMPHREY. I will tell the Senator how. Some increased acreage is needed for cotton producers. Congress passed a law last year which provided a 1-year extension of some increased acreage. That extension is running out. It would have been taken care of had the President signed a resolution which the Senate adopted. The Senator from Oregon [Mr. MORSE], the Senator from Illinois [Mr. DOUGLAS], and the Senator from Louisiana [Mr. LONG], were among those who voted for the resolution to extend the acreage amounts and the price-support levels for cotton. The President vetoed it.

So now the acreage cuts—and they are very drastic ones—go into effect. Therefore, in the name of obtaining acreage adjustments, a brand new pro-



gram has been brought into being; and it has had the blessing of the Legislative Division of the American Farm Bureau, and even more than that, it has the support of, and acceptance by, the Department of Agriculture. It does not have the support of the National Farmers Union. It is not the program of the commodity groups which met in Washington for many months. Every Senator knows that, for a whole year, there were meetings, in Washington, D. C., of the various commodity groups—including the wheat, cotton, rice, and tobacco producers—under the coordination of the National Milk Producers Association. All of them met together; and they testified before our committee.

The program I have proposed for feed grains—which would meet the needs of some of my constituents and the needs of some of the constituents of other Senators—was defeated in the committee by only one vote; and that was because of the statement that if any amendment were added to the bill, the bill would be vetoed.

Mr. DOUGLAS. Although I would prefer a general farm bill which would provide decent protection for all the farm segments of the States, I did not come to the Senate to preside over the liquidation of Illinois agriculture.

Mr. HUMPHREY. Neither did I.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. PROXMIER in the chair). Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. HUMPHREY. I yield.

Mr. MORSE. I wish to ask several questions in regard to some of the points raised by our mutual good friend, the Senator from Illinois [Mr. DOUGLAS].

I believe that in his colloquy of the last few minutes with the Senator from Minnesota, the Senator from Illinois really has stated an obligation of statesmanship which confronts Senators in connection with the pending bill. I do not think Senators can escape it or can run away from it. Instead, each and every Member of the Senate must write his record on it, because, after all, here in the Senate, Senators not only represent their respective States; they also represent the entire Nation. And in my view, the obligation of Senators to the Nation is primary and controlling.

The Senator from Illinois has pointed out—and his statements have been reinforced by the comments made by the Senator from Minnesota—that in this case the Senate is confronted with an attempt by the Secretary of Agriculture to divide and conquer or divide and rule, in connection with the legislative function, and that there is now before the Senate a bill which would be of benefit to the so-called cotton Senators, and would provide some benefits to the so-called wool Senators—and I suppose I would be numbered among the latter group, because my State is an important wool-producing State—but that the pending bill would not do justice to American agriculture as a whole.

Mr. HUMPHREY. The Senator from Oregon is correct.

Mr. MORSE. However, I think it is our national duty to see to it that the bill will be of benefit to American agriculture as a whole.

I shall vote for the wool amendment because, in my judgment, the principle of the wool amendment should be applied to wool. But it should also be applied to many other agricultural commodities.

I understand that is also the position of the Senator from Minnesota.

Mr. HUMPHREY. That is correct.

Mr. MORSE. I understand that that is the position he has taken in the excellent speech he has made in the Senate this afternoon. That speech is really a great academic speech, and it should be assigned as required reading for all college and university students who take courses in agricultural economics.

However, the bill also includes other amendments, such as those referred to by the Senator from Minnesota.

I wish to make it clear that I do not intend to disregard my national obligations, simply because the wool amendment has been slipped into the bill. I am not willing to "sell down the river" or "push down the economic drain" the other farmers of my State or the other farmers of the Nation, simply in order to have the wool amendment included in the bill.

I shall vote for the adoption of the wool amendment. But I shall also vote for the adoption of other amendments which will make the bill well rounded, just, and fair for the other farmers of the Nation.

If we cannot have such additional amendments included in the bill, I shall vote against the bill in its final form, because if the Senate permits any administration—whether Republican or Democratic—to divide it in the way that, in my judgment, the Senate is being divided as regards its position on the pending farm bill, and if Senators permit themselves to be conquered, so to speak, and prevented from carrying out their national responsibilities, then in my judgment the Senate will have ceased to carry out its primary obligation to the entire Nation.

Therefore, to the Senators from the regions which would receive the so-called benefits of the bill, I plead, "Do not permit yourselves to be bought."

Mr. HUMPHREY. Mr. President, I wish to thank the Senator from Illinois [Mr. DOUGLAS] for his very fine participation in the debate, and also for the important points he has developed and properly emphasized. He has made it perfectly clear that the proposed legislation is parochial, very limited, filled with what I consider to be economic boobytraps, and that it would result in harm to a major part of Illinois agriculture.

I also wish to thank the Senator from Oregon [Mr. MORSE] for his statement. I concur in every word he said. It is my intention to vote for the wool amendment. I believe that the principle of compensatory payments, which is embodied in the wool amendment, could well be applied to some other agricul-

tural commodities, although I do not say it should be applied to all. But that is a principle and an instrument of agricultural economic policy which could well be applied to agricultural products of other areas.

As the Senator from Illinois said, there are some who feel that if the wool amendment is adopted, it will be possible to obtain enough votes to pass the bill. That may be so; but unless there are further changes the bill will not be a good one, and in that case the Senators who vote for the bill will later rue the day when they did so.

So I ask my Democratic colleagues to remember that our party is the party that wrote into the law the parity concept; and if, in connection with the consideration of this bill by the Senate, the Democratic Party participates in the elimination of that concept from the law, then the Democratic Party will stand as a betrayer of the people.

Mr. President, I will not vote to do that. The people of my State expect me to keep my word; and I have given my word, and for years I have worked diligently and sincerely for the parity concept; and I shall keep my word.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield further to me?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. The Senator from Minnesota is a very skillful parliamentarian. I hope that when the Senate begins to vote on the amendments, he will see to it that adequate amendments which deal with corn and soybeans will be submitted.

Mr. HUMPHREY. They have already been submitted.

Mr. DOUGLAS. I hope they will be considered by the Senate before it considers the wool amendment.

Mr. HUMPHREY. I regret to say that the wool amendment was first submitted.

Mr. DOUGLAS. Is that amendment the pending question?

Mr. HUMPHREY. Yes; and the Senate will proceed to vote on it tonight.

Mr. DOUGLAS. I regret that very much.

Does the Senator from Minnesota think there is very little chance for the provision of protection for corn?

Mr. HUMPHREY. If the Senator from Illinois means to ask whether I think there is much chance for the adoption of our feed-grains amendment, which includes corn, I shall reply by stating that I believe that amendment will be adopted, because, according to the responses of the leaders in the other body, unless the feed grains are included, no agricultural bill will be passed by this Congress. In other words, Senators who may wish to pretend that the Senate will vote to make provision for only cotton, rice, and a few other agricultural commodities, can go through the exercise of debating the bill, if they wish to do so; but in such event, their activities will amount merely to verbal gymnastics, because a bill so greatly limited will not be enacted.

Mr. DOUGLAS. Why should we let the full responsibility lie on the House



of Representatives? Why should we not do something here to get a balanced bill which will be fair to all, will not give special benefits to a minority.

Mr. HUMPHREY. I assure the Senator that we will try; and, with the Senator's brilliant help and courageous assistance we are going to do our level best. There are many amendments at the desk. More will probably be offered. It is my intention to ask for a yea and nay vote on all my amendments. In fact, I intend to do so on all the amendments.

Mr. DOUGLAS. I hope the Senator sticks to that intention, even though we have to stay here all night long.

Mr. HUMPHREY. I assure the Senator I will stick to it. I want to say another thing to him. There has been no agreement whatsoever to limit debate. There has been no agreement to do anything but to seek to be responsible and to get legislation. I do not seek to delay. I seek to get legislation. We have reasonable, moderate amendments. I did not propose a program which, from the point of view of the Senator from Minnesota, is as extreme or as far-reaching as I think it ought to be. I have suggested four minimum requirements, which I feel are most moderate.

Mr. DOUGLAS. I may say to my good friend from Minnesota that it may be all right for the Senator from Oregon to vote for a wool amendment, and then trust to faith or luck that there will be other amendments to protect other crops; but the Senator from Illinois does not intend to take things on faith. I am not here to logroll, but when everybody else is under the mistletoe and is being accepted, but corn and soybeans are left out, then in self-defense I must protect the commodities grown in my State and the farmers who grow them. I refuse to have distress inflicted on commodities grown in the Upper Mississippi Valley. I am here to resort to decent methods of self-defense.

Mr. HUMPHREY. Those methods are most effective. The Senator from Illinois will find a companion in the primitive existence he wishes to pursue in terms of defense of our agricultural commodities. I regret we find ourselves in a situation wherein we cannot vote on other amendments first, but the truth is that in the very beginning of the debate an amendment was offered by our very dear friend of agriculture, the Senator from North Dakota [Mr. Young]. I feel there should be a yea and nay vote on that amendment. There is a desire on the part of some Senators to have a voice vote, but I should like to see yea and nay votes on all these amendments. I want the corn, soybeans, and other feed grain farmers to find out who is for them and who is against them.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. Does the Senator have any question as to whether we can obtain a yea-and-nay vote on the wool amendment?

Mr. HUMPHREY. I am sure our colleagues will honor us with a yea-and-nay vote. There is a display of fair play in evidence. I am sure we can have one.

Mr. MORSE. Will the Senator yield further?

Mr. HUMPHREY. Yes.

Mr. MORSE. I am in complete sympathy with the point of view expressed by the Senator from Illinois. I think we are in a very difficult parliamentary situation. Some amendment has to be voted on first. I did not know that the wool amendment was first. The wool amendment is now pending. I shall vote for the wool amendment. I shall vote for the Senators' other amendments. Then if we do not get what he has described as a reasonably fair bill, I shall vote against the bill. I think that is the obligation I owe to my responsibilities here. I see nothing inconsistent between what I have just said and what the Senator from Illinois has said.

Mr. HUMPHREY. That is exactly the intention of the Senator from Minnesota.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. McNAMARA. I should like to ask a couple of brief questions. It appears from the colloquy now going on that consideration is being given to almost every branch of the agricultural industry except the dairy industry.

Mr. HUMPHREY. I assure the Senator there is no provision in this proposed legislation that affects the dairy industry except adversely.

Mr. McNAMARA. That is true. I can go along with many provisions that do not particularly concern the people of my area, but the dairy industry is very important in the State of Michigan. Why should it be considered so utterly impossible to adopt an amendment which would be of benefit to the dairy farmers? I do not understand such a philosophy. There are many things about this bill I do not understand; that is just one. Does the Senator have any answer to that question? Why is it that every other commodity can be taken care of, and we are ready to listen to the pleas of every phase of the agricultural industry except the one which I think has been grossly neglected and abused recently by Secretary Benson? I do not think such an attitude makes any sense.

I have in my hand a record of the vote on the last dairy bill. The vote was 50 to 43. We lost by a very few votes.

Mr. HUMPHREY. The Senator refers to the resolution, does he not?

Mr. McNAMARA. Yes, on dairy price supports. I have read from a compilation by the majority leader, not by me. This is gospel; there is no question about the authenticity of it. What explanation does the Senator from Minnesota have as to that question?

Mr. HUMPHREY. I would say to my good friend from Michigan the only explanation is that the Secretary of Agriculture is a stubborn man. He has decided the price-support levels for milk are high enough according to his standards, and that is the way they are going to be. When the junior Senator from Minnesota offered an amendment on dairy products to restore milk prices to \$3.25 a hundredweight, it lost by 1 or 2 votes in the committee. The main rea-

son it lost was that it was stated openly in committee that if the amendment was added to the bill, the bill would be vetoed.

Mr. McNAMARA. We are hearing that statement again today.

Mr. HUMPHREY. What is really being stated here, before any amendment is even adopted, even before there is a chance to look at it, is that an edict has come down from on high. The Secretary of Agriculture says he will write the policy. The Constitution of the United States provides that Congress shall write the policy.

Mr. McNAMARA. It appears we are wasting a lot of time late at night on something that has been predetermined.

Mr. HUMPHREY. I do not believe in letting the Secretary or anybody else bluff us. In international affairs we constantly hear that if we do this or do that, the Soviet may attack. If we are going to live by that kind of blackmail, we will have to throw the sponge into the ring early.

In legislative matters I do not believe in having rumors or statements by second division or second-level personnel handed to us and being told, "If you do this or adopt such and such an amendment, the President is going to veto the bill." The only time I know that the President vetoes something is when he actually vetoes it, and when we get the veto message. If the President wants to veto the bill, it is his constitutional privilege. I do not think he will veto it as fast if there is a dairy amendment attached to a cotton and rice provision as he would if there were a dairy amendment alone.

Mr. McNAMARA. I agree with the Senator. I am going to be in favor of giving serious consideration to appropriate supports for dairy products.

On another phase of the bill, I should like to say that I am a little surprised to hear the Senator from Minnesota, who is a distinguished member of the Committee on Agriculture and Forestry, say he is going to support the wool amendment. My inclination is not to support the wool amendment at this point. I should like to know what is wrong with my reasoning. It seems to me the one part of the agricultural program which has worked well has been the wool program. The wool growers seem to be well satisfied with it. Why should we try to amend the law? I know that there is a question as to certain funds not being so readily available any more, but is not the day when this action should be taken 9 or 10 months away? Why do we have to take such action now? Why can we not go on as we are for another year?

Mr. HUMPHREY. The Senator makes a good point. The wool authorization does not run out, I believe, until March of 1959.

Mr. McNAMARA. What is the rush?

Mr. HUMPHREY. There is time. I would be less than honest if I did not say I find in the wool bill many meritorious provisions. I know it has been proposed that the Wool Act be amended with respect to the source of the necessary funds with which to make pay-



ments, but I am going to support the wool amendment.

Even among those of us who see eye to eye on most legislation in the Congress there is occasionally a point upon which we differ. That is one of the great joys of being relatively independent.

The Senator has asked me why we should support the wool amendment now. I will give two reasons.

First, I think basically the wool amendment is a good amendment. Second, I think one of the best friends of American agriculture, the Senator from North Dakota [Mr. Young], who is sponsoring the amendment, deserves some recognition for his untiring efforts in these matters.

The second reason obviously is a personal reason and should be given secondary consideration.

I will state that I supported the wool amendment in the committee, and I shall support it on the Senate floor. I would prefer to vote on the wool bill as a separate bill.

Mr. McNAMARA. I would also.

Mr. ANDERSON. Mr. President, will the Senator yield to me at this time?

Mr. McNAMARA. I will say, in conclusion, I am not convinced I should vote for the wool amendment. I still think I shall vote against it.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ANDERSON. I am happy to hear the Senator from Minnesota state that he will support the wool amendment. I am happy to hear the Senator say that the Senator from North Dakota is entitled to a great deal of consideration. I hope the Senator from Minnesota will not overlook the fact that the able Senator from Wyoming [Mr. O'MAHONEY] proposed virtually the same thing in 1946 and submitted it to the Department of Agriculture, where he received the support of the Department of Agriculture.

So far as I am concerned, the Senator from Wyoming who does not seem to get much credit for the wool act, is entitled to a tremendous amount of credit, because he was the original sponsor of it and brought it to the attention of the Congress.

I think more than any single individual the Senator from Wyoming has tried to bring the wool act to fruition.

I say that because sometimes we forget the mute, inglorious Miltons who only stand and wait, when really able to say, "This, after all, is my proposal." That is absolutely true of the Senator from Wyoming. I regret that the Senator from Wyoming is not on the floor at this time to hear me say this on his behalf.

Mr. HUMPHREY. I am delighted the Senator from New Mexico has made those remarks on behalf of the Senator from Wyoming.

I regret that I was unmindful of the early leadership of the distinguished Senator from Wyoming, who has been giving every bit as much leadership as to the current bill, with respect to wool.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Since it is rumored that the alliance now being built up is an alliance of Senators primarily representing cotton, rice, and wool areas, and that the corn, soybean, and dairy areas are to be left out, would it not be more wise for us to defeat the wool amendment, and to defeat it by a big vote, with the whole upper Mississippi Valley voting against it? Then if corn and soybeans and dairy products are brought in for consideration the wool amendment could be revived in a proper but not an improper form.

Mr. HUMPHREY. That is one possibility, I will say to my good friend from Illinois.

Another possibility, which I have heard some of our colleagues mention, is to recommit the bill to the committee with some instructions.

Mr. ANDERSON. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. ANDERSON. The Senator from Minnesota and I have been as far apart as to parity as two people could possibly be.

Mr. HUMPHREY. Not as to parity, but as to how to obtain it.

Mr. ANDERSON. I accept the Senator's correction. I also note that the Senator and I took part at one time in a very interesting program, in which we were supposed to be on opposite sides, when both of us were trying to accomplish the same goal. I have many times said to the Senator from Minnesota that I do not agree with all the conclusions he reaches, but he has been outstanding in his stalwart championing of the rights of farmers.

Mr. HUMPHREY. I thank the Senator very much. His remarks are very kind.

Mr. ANDERSON. The Senator knows that commendation is only a small part of what is due him for the things he does for the American farmer.

I will say that unless there can be changes in the bill—not so complete as the Senator from Illinois suggests, but changes in the bill—the part of wisdom might be to recommit the bill to the committee.

For example, there is a provision in the bill which calls for 1.6 million acres for rice. There is no possibility that we can use more than one million acres of rice production.

Mr. HUMPHREY. What is the present acreage?

Mr. ANDERSON. I regret to say the Senator from Minnesota has asked me a question which I cannot immediately answer. I am not as familiar with the figures as I ought to be. However, it is contemplated we will have 1.6 million acres of rice, as is provided for in the bill, which will produce about 49 million hundredweight, while the American market is ready to consume about 27 million hundredweight. The other 22 million hundredweight will have to be put in storage, along with all the other rice we have in storage.

I will say to the Senator from Minnesota, if we are going to follow such a procedure in that circumstance it

might be well to say, "What about doing the same in many circumstances?"

The Senator from Minnesota knows that I come from a State which produces cotton. I think my State produces very, very good cotton.

In the bill presently under consideration there is a suggestion that it might be possible to increase the cotton acreage by 40 percent, by taking some 15 penalty points reduction in support prices. If such is done—and it may be desirable to do so—I think it is worthwhile to bear in mind that such action might present some problems for the soybean producers.

The Senator from Illinois mentioned that item a moment ago. Whatever we do in the bill presently under consideration to improve the situation of the cotton farmers I think we ought to recognize the implications with respect to the soybean farmers, and we ought to write into the bill a provision that if the bill increases the acreage for cotton, and thereby increases cottonseed oil and cottonseed cake and other production, the Secretary of Agriculture can take into consideration what effect such production might have upon the production of soybeans.

I hope the Senator from Minnesota will keep insisting on that point. I will not be at all alarmed if the Senator from Illinois keeps insisting upon it, too. It is not possible to write a sound agricultural program by buttering only a few slices of bread. We can only write a sound agricultural program when we recognize that all segments of agriculture tie together and that if we do something for one segment of agriculture we have to recognize the effects upon other segments.

I am glad the Senator from Minnesota and the Senator from Illinois have raised this question. No soybeans are produced in my State, but that does not change the responsibility of the Congress to look at the problems of the soybean producer in the consideration of a bill of this nature.

Mr. HUMPHREY. I am grateful to the Senator from New Mexico for his comments.

Of course, from him words of commendation mean a great deal because of my high regard for the Senator's point of view and for his expert knowledge.

It is true that as to the matter of how we would gain what we call parity, the Senator from New Mexico and the junior Senator from Minnesota have at times disagreed, but our objective has been the same.

Mr. ANDERSON. Yes.

Mr. HUMPHREY. Very much the same.

Mr. ANDERSON. If the Senator will yield further, I should like to say that I do not understand some of the things provided in the bill, because it refers to 90 percent, but it is 90 percent of the average price of the last 3 years. I do not observe anybody standing up to talk about 90 percent of parity anymore. I made a comment to the Senator from Wisconsin [Mr. PROXMIRE] today that I was glad he stated his convictions, because he still believes that 90 percent of



parity for farmers is a desirable thing. It happens I do not so believe. I believe in flexible price supports. I have advocated such supports since 1947, when I conveyed such a message to the Congress.

I wonder what this bill will do for the people who have been standing up beating their breasts for 90 percent of parity, when they suddenly fail to remember it anymore? I am glad the Senator from Minnesota remembers what he stood for. There is eternal faith still in his breast, and I commend him for that.

Mr. HUMPHREY. I thank the Senator.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I think the Senator from New Mexico has put the issue very well for at least some of us in the Senate. I am not going to sit in the Senate and vote to destroy parity.

I want to say I also join with the Senator from New Mexico in his observations with respect to the leadership of the Senator from Wyoming [Mr. O'MAHONEY] on wool issues in the United States Senate for many years past.

I was in the Senate in 1946. I was following the leadership of the Senator from Wyoming on wool issues then. The CONGRESSIONAL RECORD will so show.

I should like the attention of the Senator from Illinois for a moment, because he has troubled me by the position he has just taken on the floor of the Senate. I want to be sure that I understand it. He may be right. I wish to say to my friends from Illinois and Minnesota that I would vote to recommit the bill. I think that should be done first.

I am troubled about the parliamentary technique in which we would involve ourselves if we were to follow the suggestion of the Senator from Illinois, that if the wool amendment comes up first, Senators representing soybean, corn, and other interests should vote against it until they can have soybean and corn amendments adopted. Then they will say to Senators representing wool interests, "We will now favor you with our votes on the wool amendment."

That is what bothers me. I do not believe that that kind of bartering on the floor of the Senate is the way to legislate. I want the Senator from Illinois to know that I am not critical. I am trying to see if we cannot find a principle which we can consistently follow, in order to avoid starting to divide among ourselves when our objectives are common.

Mr. DOUGLAS. Mr. President, I have always voted for the national interest on the floor of the Senate.

Mr. MORSE. I know that.

Mr. DOUGLAS. I also represent my State. If other Senators are to discard the national interest and merely work in behalf of particular commodities, I do not propose to be a pacifist and a nonresistant in these matters. I am not a masochist. I do not take pleasure in having pain inflicted upon me, or upon the farmers of my State. If cotton, rice, and wool producers are to say that they are to get their feet in the trough, I

will say, "If you do not do justice to corn, soybeans, and possibly dairy products, get away from the trough." I do not think it is a trough at all, but I have ceased to be a nonresistant. The worm has turned. The grave nature of the upper Mississippi Valley has been betrayed too many times. I am now adopting the motto of the Albany Confederation of the 1750's, "Don't tread on me."

Mr. MORSE. Let me say good-naturedly to my friend from Illinois that what he is really arguing for in regard to the parliamentary tactics outlined here is that he will insist on getting his nose in the trough first.

Mr. HUMPHREY. I suggest that we change the simile.

Mr. MORSE. We have made it perfectly clear that we shall vote against the bill in the national interest if it is not a fair bill. That is why, if I vote for the wool amendment and it goes into the bill, and the soybean amendment does not go in, I will vote against the bill.

Mr. DOUGLAS. Do not deal out corn, rye, sorghums, and the other competitive feed grains.

Mr. MORSE. I am using soybeans only as illustrative of the whole group of commodities which the Senator from Illinois and the Senator from Minnesota have been discussing. I do not believe the Senator from Illinois should put some of us in the position where we shall have votes cast against us on the wool amendment unless he and his group can get some amendment in first, because I respectfully say that I do not think that would be voting in the national interest.

Mr. HUMPHREY. Mr. President, I am convinced that before we are through with this discussion we shall all be pulling together in harness for the legitimate objectives we seek. I am delighted to have had this participation by some of the most able Members of this body, who know how to speak with conviction and sincerity.

A few days of educational process might be helpful. At least, it would give some of my colleagues a chance to hear from the folks at home, instead of having our farmers suddenly discover too late that the Senate has sold them down the river by surrendering unconditionally to Secretary Benson.

I am sure that some of my colleagues who have in the past proven stalwart champions of agriculture will join me, if necessary, in seeing that ample time is devoted to thoroughly exploring the road down which Secretary Benson is trying to take American agriculture. On the other hand, of course, we may be able to persuade them to withhold their fire, to a degree, if some evidence is forthcoming of a willingness to at least explore the chances of perfecting this legislation into something a friend of the farmer can live with.

In due time I shall discuss at considerable length each of the constructive amendments I am proposing, and explain the necessity for including them in this bill.

But for the purpose of this more-or-less preliminary warm-up, merely setting the stage for the main fights to come,

I shall confine myself to the rather broad outlines of why agriculture urgently needs better legislation, the dangers of the road down which this present legislation would take agriculture, the tremendous propaganda effort that is being put forth to deceive the public about that shift in farm policy, and some better alternatives that we should be seriously considering.

Each of these topics could and should be a full-dress presentation in its own right, and I do not intend to neglect any part of this discussion.

First of all, let us take a careful look at how our farmers are doing.

Despite all the glowing cover-page stories in Life magazine and all the reassuring statements from Secretary Benson, the farmer's pocketbook and his purchasing power—his take home pay upon which so much of the rest of our economy is dependent—is the best measurement of what is really happening. And it is not good.

There may be room for different points of view as to what should be done about our agricultural problems, but there can be little difference of opinion over the fact that our agricultural economy is out of balance with the rest of the economy—even during a period when the rest of the economy has slipped a cog and headed downward.

This administration takes great delight with the passage of years in seizing upon any temporary slight upturn in some farm prices to compare the situation favorably with its own low points—instead of comparing the situation today either with where farmers stood under the previous administration on, or with the rest of the economy even today.

One can do all kinds of tricks with statistics. He can fool himself—but it is hard to fool the farmer, or the small town businessman for whom the farmer is the best customer.

Before taking a look at the national picture, I should like to start closer to home—in Minnesota. I know my farm people, and I try to keep track of what is happening to them. Soaring fruit and vegetable prices as a result of weather conditions in Florida may influence the national parity figures, but they do not mean much to Minnesota farmers.

On June 15, 1958, the average parity price for the 17 leading commodities in Minnesota, averaged according to the relative importance of the products, was 74 percent of parity.

Corn was only 61 percent of the effective United States parity price. All milk sold wholesale was only 57 percent of United States parity.

Oats were also 57 percent of parity.

These are the figures from our university, and they count with our farmers.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table from the July 10 issue of Minnesota Agriculture, published in St. Paul by the Minnesota Farmers Union, entitled "How Far From Parity?" showing a comparison of the United States effective parity price and the average price received by Minnesota farmers for the 17 leading commodities in our State.



There being no objection, the table was ordered to be printed in the RECORD, as follows:

*How far from parity?—June 15, 1958*

| Crop or product                     | United States effective parity price | Average price received by Minnesota farmers <sup>1</sup> | Short of parity per unit | Minnesota average price as a percent of parity <sup>2</sup> |
|-------------------------------------|--------------------------------------|----------------------------------------------------------|--------------------------|-------------------------------------------------------------|
| Corn.....bushels..                  | \$1.76                               | \$1.07                                                   | \$0.69                   | 61                                                          |
| Hogs.....hundredweight..            | 22.10                                | 21.20                                                    | .90                      | 96                                                          |
| Cattle.....do.....                  | 23.20                                | 23.10                                                    | .10                      | 99                                                          |
| Milk, wholesale.....hundredweight.. | 5.08                                 | 2.90                                                     | 2.16                     | 57                                                          |
| Butterfat.....pounds..              | .76                                  | .62                                                      | .14                      | 81                                                          |
| Oats.....bushels..                  | .88                                  | .52                                                      | .36                      | 59                                                          |
| Eggs.....dozen..                    | .49                                  | .28                                                      | .21                      | 57                                                          |
| Soybeans.....bushels..              | 3.04                                 | 2.04                                                     | 1.00                     | 67                                                          |
| Calves.....hundredweight..          | 25.60                                | 26.20                                                    | 0                        | 113                                                         |
| Flax.....bushels..                  | 4.33                                 | 2.62                                                     | 1.71                     | 60                                                          |
| Barley.....do.....                  | 1.35                                 | .92                                                      | .43                      | 68                                                          |
| Wheat.....do.....                   | 2.43                                 | 2.11                                                     | .32                      | 87                                                          |
| Turkeys.....pounds..                | .38                                  | .29                                                      | .11                      | 71                                                          |
| Potatoes.....bushels..              | 2.46                                 | 2.20                                                     | .26                      | 89                                                          |
| Chickens.....pounds..               | .287                                 | .15                                                      | .13                      | 52                                                          |
| Sheep.....hundredweight..           | 10.30                                | 6.70                                                     | 3.60                     | 65                                                          |
| Wool.....pounds..                   | .71                                  | .30                                                      | .41                      | 42                                                          |

<sup>1</sup> Prices are as received by farmers at the point of first sale out of the farmer's hands and should not be confused with prices of specific grades or classes at central terminal markets.

<sup>2</sup> Parity price average, 17 leading commodities, Minnesota, 74 percent (averaged according to relative importance of products).

Mr. HUMPHREY. Now, Mr. President, in all fairness to areas where prices might be better, I would also like to ask unanimous consent to have printed at this point a table of average prices received by farmers for farm products nationwide, comparing June 15, 1957, with May 15, 1958, and June 15, 1958, and another table making the comparison between June 15, 1958, with June 15, 1951.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

*Average prices received by farmers for farm products, United States, June 15, 1958, with comparisons*

| Commodity and unit                      | June 15, 1957 | May 15, 1958 | June 15, 1958 |
|-----------------------------------------|---------------|--------------|---------------|
| Wheat.....bushel..                      | \$1.91        | \$1.93       | \$1.70        |
| Rye.....do.....                         | 1.04          | .983         | .952          |
| Rice, rough.....hundredweight..         | 4.91          | 5.06         | 5.05          |
| Corn.....bushel..                       | 1.22          | 1.15         | 1.19          |
| Oats.....do.....                        | .661          | .594         | .615          |
| Barley.....do.....                      | .881          | .869         | .907          |
| Sorghum grain.....hundredweight..       | 1.89          | 1.76         | 1.76          |
| Hay, all baled.....ton..                | 18.60         | 17.70        | 17.10         |
| Cotton:                                 |               |              |               |
| American upland.....pound..             | .3189         | .2910        | .2909         |
| American-Egyptian.....do.....           | .591          | .544         | .544          |
| Tobacco, types 11-37.....do.....        | .512          | .470         | .435          |
| Cottonseed.....ton..                    | (1)           | (1)          | (1)           |
| Soybeans.....do.....                    | 2.18          | 2.13         | 2.13          |
| Peanuts.....pound..                     | 1.09          | .110         | .110          |
| Flaxseed.....bushel..                   | 2.72          | 2.58         | 2.64          |
| Potatoes.....hundredweight..            | 1.31          | 2.37         | 1.65          |
| Sweet potatoes.....do.....              | 5.72          | 5.91         | 5.52          |
| Beans, dry edible.....do.....           | 7.22          | 7.94         | 8.09          |
| Peas, dry field.....do.....             | 3.57          | 3.01         | 3.16          |
| Hogs.....do.....                        | 18.40         | 21.70        | 21.60         |
| Beef cattle.....do.....                 | 17.80         | 23.10        | 22.30         |
| Calves.....do.....                      | 18.90         | 25.70        | 24.70         |
| Sheep.....do.....                       | 5.70          | 7.64         | 7.19          |
| Lambs.....do.....                       | 20.20         | 20.50        | 21.20         |
| Butterfat, in cream.....pound..         | .591          | .576         | .573          |
| All milk, wholesale.....hundredweight.. | 3.80          | 3.74         | 3.70          |
| Milk, retail.....quart..                | .207          | .209         | .209          |

*Average prices received by farmers for farm products, United States, June 15, 1958, with comparisons—Continued*

| Commodity and unit                      | June 15, 1957 | May 15, 1958 | June 15, 1958 |
|-----------------------------------------|---------------|--------------|---------------|
| All chickens, live.....pound..          | \$0.196       | \$0.196      | \$0.203       |
| Farm chickens, live.....do.....         | .134          | .166         | .160          |
| Commercial broilers, live.....do.....   | .207          | .201         | .210          |
| Turkeys, live.....do.....               | .233          | .271         | .256          |
| Eggs.....dozen..                        | .289          | .355         | .339          |
| Wool.....pound..                        | .554          | .363         | .377          |
| Adjusted for seasonal variation:        |               |              |               |
| All milk, wholesale.....hundredweight.. | 4.22          | 4.19         | 4.11          |
| Eggs.....dozen in carton..              | .314          | .390         | .368          |

<sup>1</sup> Not available.

Source: Agricultural Prices (June 27, 1958). Published by Agricultural Service, U. S. Department of Agriculture.

*Average prices received by farmers for farm products, June 15, 1958, compared with June 15, 1951*

| Commodity                        | Average, 1951 | June 15, 1958 | Percent change |
|----------------------------------|---------------|---------------|----------------|
| Wheat.....                       | \$2.11        | \$1.70        | Down 19        |
| Rye.....                         | 1.52          | .952          | Down 37        |
| Rice, rough.....                 | 4.82          | 5.05          | Up 5           |
| Corn.....                        | 1.66          | 1.19          | Down 28        |
| Oats.....                        | .820          | .615          | Down 25        |
| Barley.....                      | 1.26          | .907          | Down 28        |
| Sorghum grain.....               | 2.32          | 1.76          | Down 24        |
| Hay, all baled.....              | 25.60         | 17.10         | Down 33        |
| Cotton, American upland.....     | .377          | .2909         | Down 23        |
| Tobacco, types 11-37.....        | .420          | .435          | Up 4           |
| Cottonseed.....                  | 69.30         | (1)           | (1)            |
| Soybeans.....                    | 2.73          | 2.13          | Down 22        |
| Peanuts.....                     | .104          | .110          | Up 6           |
| Flaxseed.....                    | 3.72          | 2.64          | Down 29        |
| Potatoes.....                    | 1.63          | 1.65          | Up 1           |
| Sweet potatoes.....              | 3.03          | 5.52          | Up 82          |
| Beans, dry edible.....           | 7.91          | 8.09          | Up 2           |
| Hogs.....                        | 20.00         | 21.60         | Up 8           |
| Beef cattle.....                 | 28.70         | 22.30         | Down 22        |
| Calves.....                      | 32.00         | 24.70         | Down 23        |
| Lambs.....                       | 31.00         | 21.20         | Down 32        |
| All chickens, live.....          | .271          | .203          | Down 25        |
| Turkeys, live.....               | .374          | .256          | Down 32        |
| Adjusted for seasonal variation: |               |               |                |
| All milk, wholesale.....         | 4.58          | 4.11          | Down 10        |
| Eggs.....                        | .478          | .368          | Down 23        |

<sup>1</sup> Not available.

Source: Agricultural Prices (June 27, 1958), Agricultural Marketing Service, U. S. Department of Agriculture.

Mr. HUMPHREY. These tables show the average prices received by farmers for farm products. Comparing 1951, for example, with 1958, to give a few illustrations, turkeys are down 33 percent, chickens 25 percent, lambs 32 percent, flaxseed 29 percent, soybeans 22 percent, grain sorghums 24 percent, barley 28 percent, oats 25 percent, corn 28 percent, and rye 37 percent. This is the picture which these tables reveal.

While I hope my colleagues will study these tables, I cannot help but refer to them briefly, as I have done. For example, rye, for which this pending legislation means a further cut in price, is already down 37 percent from 1951. Oats, also facing a new threat under this bill, are already down 28 percent. The same is true for sorghum grain. Soybeans, facing new competition under the proposed expansion of cottonseed production, are down 22 percent in price.

To get the true perspective, you must compare these drastic price declines with what has happened to prices paid by farmers for the same period.

Interest payments per acre have gone up 79 percent. Taxes paid per acre have gone up 29 percent. These are figures from Secretary Benson's own reports. I hope he reads them. I hope he recognizes that the biggest increases in the farmers' costs are from higher interest and higher taxes, much bigger than the increases in production supplies and farm-machinery equipment. Somehow, Secretary Benson tries to blame all of the farmer's increased costs on labor in industry, but the facts of his own reports do not seem to support him. Mr. President, I ask unanimous consent to have printed at this point a table of the index of prices paid by farmers from the report, Agricultural Prices, issued by the Agricultural Marketing Service of the United States Department of Agriculture.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Index of prices paid by farmers (1910-14=100)*

| Item                                                            | Average 1951 | Apr. 15, 1958 <sup>1</sup> | Change     |
|-----------------------------------------------------------------|--------------|----------------------------|------------|
| Interest paid per acre.....                                     | 98           | 175                        | Up 79.     |
| Taxes paid per acre.....                                        | 335          | 464                        | Up 39.     |
| Cash wage rates.....                                            | 470          | 567                        | Up 21.     |
| Motor supplies.....                                             | 156          | 169                        | Up 8.      |
| Motor vehicles.....                                             | 342          | 420                        | Up 23.     |
| Farm machinery.....                                             | 297          | 361                        | Up 22.     |
| Farm supplies.....                                              | 264          | 294                        | Up 11.     |
| Building and fencing.....                                       | 346          | 391                        | Up 13.     |
| Fertilizer.....                                                 | 152          | 151                        | Down 1.    |
| Average, above 6 items.....                                     | 258          | 299                        | Up 16.     |
| Household operation.....                                        | 189          | 212                        | Up 12.     |
| Household furnishings.....                                      | 277          | 277                        | No change. |
| Building materials, house.....                                  | 334          | 407                        | Up 6.      |
| Autos and auto supplies.....                                    | 267          | 323                        | Up 21.     |
| Average, above 4 items.....                                     | 256          | 287                        | Up 12.     |
| Food.....                                                       | 265          | 288                        | Up 9.      |
| Clothing.....                                                   | 309          | 326                        | Up 6.      |
| Average, above 2 items.....                                     | 280          | 301                        | Up 8.      |
| Feed.....                                                       | 236          | 203                        | Down 14.   |
| Feeder livestock.....                                           | 490          | 392                        | Down 20.   |
| Seed.....                                                       | 232          | 212                        | Down 9.    |
| Average, above 3 items.....                                     | 314          | 262                        | Down 17.   |
| Prices paid for all family living items (average).....          | 268          | 293                        | Up 9.      |
| Prices paid for all production items (average).....             | 273          | 271                        | Down 1.    |
| Prices paid, commodities and services taxes and wage rates..... | 282          | 306                        | Up 9.      |

<sup>1</sup> Or last available data.

Source: Agricultural Prices, Apr. 30, 1958, Agricultural Marketing Service, USDA.

Mr. HUMPHREY. Any comparison of the farmers' conditions with his own conditions of the past is inadequate without taking a look at how everybody else is doing.

For that information, let us turn to the Economic Indicators, published by the President's Own Council of Economic Advisors. For these figures, we have the full 1957 returns compared with the annual average of 1947-49.

In a nutshell, it shows what every farmer knows—farmers are worse off, and everybody else is better off—but particularly corporations and stock owners.



While income from interest—the money made by bankers primarily on other people's money, not their own—was soaring 109 percent during that period, farmers total net income fell 25 percent.

Of course, the administration makes a great fetish of saying that such declined total net income for farmers was divided up among fewer farmers—because of their success in driving more people off the farm.

But even at that rate, the per family total net income of farmers, in current dollars, declined 6 percent while dividend income, for example, went up 70 percent and per person income of nonfarm people went up 39 percent.

Mr. President, it might be helpful if I could have unanimous consent to have printed at this point a series of tables of how farmers are doing compared with others.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

*How farmers are doing, compared with others—Farmers worse off, everybody else better off, particularly corporations and stockowners*

|                                                             | Annual average, 1947-49 | 1957  | Percent change |
|-------------------------------------------------------------|-------------------------|-------|----------------|
| Interest.....billion dollars..                              | 9.0                     | 18.8  | +109           |
| Dividends.....do.....                                       | 7.1                     | 12.1  | +70            |
| Corporation profits:                                        |                         |       |                |
| Before taxes.....do.....                                    | 29.5                    | 41.0  | +39            |
| After taxes.....do.....                                     | 18.1                    | 20.0  | +11            |
| Rental income.....do.....                                   | 7.2                     | 10.4  | +45            |
| Business and professional proprietors.....billion dollars.. | 20.8                    | 28.7  | +40            |
| Weekly earnings of manufacturing workers.....dollars..      | 53                      | 82    | +55            |
| Per person income, nonfarm people.....dollars..             | 1,473                   | 2,045 | +39            |
| Per person income, farm people.....dollars..                | 848                     | 993   | +17            |
| Farm income parity ratio percent.....                       | 58                      | 45    | -----          |
| Farmers total net income:                                   |                         |       |                |
| National.....billion dollars..                              | 15.4                    | ----- | -25            |
| Per family current dollars..                                | 2,654                   | 2,490 | -6             |
| Number of farms.....millions..                              | 5.8                     | 4.9   | -16            |

<sup>1</sup> From nonfarm and farm sources.

Source: Economic Indicators (Council of Economic Advisers) and Farm Income Situation published by Agricultural Marketing Service, U. S. Department of Agriculture.

*How farmers are doing, compared with others—Farmers worse off, everybody else better off, particularly corporations, bankers, and stockowners*

|                                                             | 1951  | 1957  | Percent change |
|-------------------------------------------------------------|-------|-------|----------------|
| Interest.....billion dollars..                              | 11.6  | 18.8  | +61            |
| Dividends.....do.....                                       | 9.1   | 12.1  | +33            |
| Corporate profits, after taxes.....billion dollars..        | 18.7  | 20.2  | +8             |
| Rental incomes.....do.....                                  | 9.1   | 10.4  | +14            |
| Business and professional proprietors.....billion dollars.. | 24.8  | 28.7  | +16            |
| Weekly earnings of manufacturing workers:                   |       |       |                |
| Current dollars.....billion dollars..                       | 65    | 82    | +26            |
| 1957 dollars.....do.....                                    | 70    | 82    | +17            |
| Farmers total net income:                                   |       |       |                |
| National.....billion dollars..                              | 16.3  | 11.6  | -29            |
| Per family:                                                 |       |       |                |
| Current dollars.....                                        | 2,951 | 2,388 | -19            |
| 1947-49 dollars.....                                        | 2,683 | 1,901 | -24            |
| Number of farms.....millions..                              | 5.5   | 4.9   | -11            |

Source: Economic Indicators, published by Council of Economic Advisers to the President of the United States, June 1958, and Farm Income Situation (July 1958), published by Agricultural Marketing Service, U. S. Department of Agriculture.

#### DO FARM FAMILIES GET PARITY INCOME? Per person incomes, farm and nonfarm compared

|                                                   | 1951  | 1957  | Percent change |
|---------------------------------------------------|-------|-------|----------------|
| Income per person of people on farms:             |       |       |                |
| From farming.....                                 | \$741 | \$651 | -17            |
| Government payment.....                           | 10    | 43    | +400           |
| From all sources (current dollars).....           | 983   | 967   | -2             |
| From all sources (1957 dollars).....              | 1,032 | 967   | -6             |
| Income per person of people not on farm.....      | 1,763 | 2,082 | +18            |
| Farm family income, percent of parity income..... | 56    | 46    | -----          |

Source: Farm Income Situation (July 1958), published by Agricultural Marketing Service, U. S. Department of Agriculture.

#### Farmers' share of national income and population

|                       | 1947-49 | 1951    | 1957    |                         |
|-----------------------|---------|---------|---------|-------------------------|
|                       | Percent | Percent | Percent |                         |
| Farm people were..... | 18.0    | 15.7    | 11.9    | of national population. |
| And received.....     | 11.2    | 9.4     | 5.9     | of national income.     |

NOTE.—Income figures for farm people include income from off-farm sources as well as income from farming.

Source: Agricultural Marketing Service, Farm Income Situation (July 1958).

#### Per farm real income down one-fourth in 6 years

|                                                          | 1951    | 1957    | Percent change |
|----------------------------------------------------------|---------|---------|----------------|
| Farm operators' gross income:                            |         |         |                |
| Including inventory change.....billion dollars..         | 38.5    | 35.1    | -9             |
| Excluding inventory change.....billion dollars..         | 37.3    | 34.3    | -8             |
| Farm production expenses.....billion dollars..           | 22.2    | 23.5    | +6             |
| Farm operators' net income:                              |         |         |                |
| Including inventory change:                              |         |         |                |
| United States total.....billion dollars..                | 16.3    | 11.6    | -29            |
| Per farm.....current dollars..                           | 2,951.0 | 2,388.0 | -19            |
| Per farm.....1947-49 dollars..                           | 2,683.0 | 2,034.0 | -24            |
| Excluding inventory change:                              |         |         |                |
| United States total.....billion dollars..                | 15.2    | 10.8    | -29            |
| Per farm.....current dollars..                           | 2,739.0 | 2,232.0 | -19            |
| Per farm.....1947-49 dollars..                           | 2,490.0 | 1,901.0 | -24            |
| Number of farms.....million..                            | 5.5     | 4.9     | -11            |
| Prices paid by farm family for living items (Index)..... | 268     | 286     | +7             |

Source: Farm Income Situation (July 1958), published by Agricultural Marketing Service, U. S. Department of Agriculture.

#### Per farm real income down

|                                                                       | 1951 | 1st half, 1958 |
|-----------------------------------------------------------------------|------|----------------|
| Farm operators' gross income:                                         |      |                |
| Including inventory change.....billion dollars..                      | 38.5 | 37.5           |
| Excluding inventory change.....billion dollars..                      | 37.3 | 37.7           |
| Farm production expenses.....do.....                                  | 22.2 | 24.4           |
| Farm operators' net income:                                           |      |                |
| Including inventory change, United States total.....billion dollars.. | 16.3 | 13.1           |
| Excluding inventory change, United States total.....billion dollars.. | 15.2 | 13.3           |
| Prices paid by farm family for living items index.....                | 268  | 286            |

Source: Farm Income Situation (July 1958), published by Agricultural Marketing Service, U. S. Department of Agriculture.

Nineteen hundred and fifty-eight farm income less than half of parity income goal

|                                                  | Parity farm income <sup>1</sup> | Actual 1957 <sup>2</sup> | Farm income, 1st half 1958 <sup>2</sup> |
|--------------------------------------------------|---------------------------------|--------------------------|-----------------------------------------|
| Farm operators' net income:                      |                                 |                          |                                         |
| Including inventory change:                      |                                 |                          |                                         |
| United States total.....billion dollars..        | 26.2                            | 11.6                     | 13.1                                    |
| Per farm.....dollars..                           | 5,347                           | 2,388                    | (9)                                     |
| Excluding inventory change:                      |                                 |                          |                                         |
| United States total.....billion dollars..        | 26.2                            | 10.8                     | 13.3                                    |
| Per farm.....dollars..                           | 5,347                           | 2,232                    | (9)                                     |
| Farm production expenses.....billion dollars..   | 25.4                            | 23.5                     | 24.4                                    |
| Farm operators' gross income:                    |                                 |                          |                                         |
| Including inventory change.....billion dollars.. | 51.6                            | 35.1                     | 37.5                                    |
| Excluding inventory change.....billion dollars.. | 51.6                            | 34.3                     | 37.7                                    |

<sup>1</sup> Calculation based on definition in Agricultural Adjustment Act of 1938, as amended.

<sup>2</sup> Data from Farm Income Situation (July 1958), published by Agricultural Marketing Services, U. S. Department of Agriculture.

<sup>3</sup> Not available.

Mr. HUMPHREY. I suppose it is understandable that a man as hopelessly bankrupt over ideas about improving conditions in agriculture as Secretary Benson has proved to be should continue to whistle in the graveyard, and seize on every opportunity or excuse for misleading the public about what is really happening under his stewardship.

Yet one of his classic comments that will live to haunt him was a statement a few months ago that "Agriculture has been a source of strength in the current recession."

Now, I suppose Secretary Benson can take a degree of pleasure in the fact that agriculture, with the rug already pulled out from under it several years earlier, finally escaped being alone in a tumbling economy when other segments also got into trouble.

But if he really feels the fact that farmers were already so broke they could not get much worse is a "source of strength" in our economy, I pity the fate of our economy.

Undoubtedly, Secretary Benson welcomed the fact that trouble in the rest of the economy temporarily took the spotlight off him as the greatest source of weakness in our entire economic picture.

Yet he forgets that many of us were warning 2 years ago about what would happen to industry and labor and business generally if farm purchasing power were permitted to remain depressed, while Secretary Benson was voicing bland reassurances that trouble in agriculture could not bother the rest of the country, because agriculture "was not as important" as it used to be.

Perhaps it is understandable that American farmers take Secretary Benson's statements with a big grain of salt, in view of his past record of blind misguidance as long as it served his propaganda purposes.

In assuring the country that agriculture was a bright spot in our recession, Secretary Benson used the occasion to make general observations about the role of farmers in the economy, concluding on this cheerful note:

The main impact of the recession, on agriculture, has been to restrict very sub-



stantially the job opportunities available to our farm people. As you know, one-third of the income received by farm people is obtained from nonfarm jobs and other non-farm sources.

The Secretary of Agriculture did not point out that the decline in farm income—the farm depression—started several years ago. He did not point out that the estimated realized net income of \$13 billion income for this year is almost 14 percent below the actual net farm income of \$15.1 billion in 1952.

"Agriculture has been a source of strength in the current recession"—April 14, 1958—must take its position alongside other famous quotes of Secretary Benson on the subject of farm income.

Here are samples:

February 11, 1953:

Analysis leads us to expect no major changes (in farm prices) during the next several months.

October 21, 1953:

It's my belief that the major price declines are behind us.

November 18, 1953:

The retreat of farm prices and incomes \* \* \* seems to have been stopped a few short months after we took office.

December 16, 1953:

Let me assure you \* \* \* considerable progress has been made along the road to recovery. I believe that 1953 has marked the turning point—in the right direction.

December 15, 1954:

We are headed in the right direction at last.

January 7, 1955:

I am convinced that for agriculture the road ahead will be smoother than the one we have been traveling.

February 4, 1955:

Farm income has been stabilized for some months—of one thing you can be certain. The better farmers will make money \* \* \* because there is real opportunity in agriculture today.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is this a variation on the theme of an old song: "The music goes round and round, but it comes out just the same"?

Mr. HUMPHREY. That is correct. It is the Department of Agriculture's variation of that old theme.

January 16, 1956:

A new buoyancy in the market place, a new hope, a new vigor and zest, can be anticipated. \* \* \* Surely it should be reflected promptly in prices and incomes.

August 17, 1956:

Farm prices and the parity ratio have not only stopped falling—they are definitely climbing.

Of course they promptly dropped. I may digress to say that the Department must have obtained a new public relations man, who concocted that spontaneous and exotic language.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Did they use the phrase that the decline in prices has now bottomed out; or is that a more recent phrase?

Mr. HUMPHREY. That came later. September 11, 1956:

We are on the right track. The downward slide in prices \* \* \* has been checked. Yes, we are on the right track, and we are going to stay on it.

Mr. President, farmers are not being fooled. Whatever temporary improvements in farm prices may have occurred were certainly not the results of Secretary Benson's farm policies.

If it were not so tragic it would be amusing. When he appears before our Senate committee, every time it is pointed out that his policies have failed completely, he always blames the weather or some other facts of nature beyond his control.

Whenever the Senator from Missouri has pointed to discrepancies and to the inadequacy of the farm program, the response usually was that it was due to weather conditions and seasonal adjustments.

Mr. SYMINGTON. In other words, the operation was always successful, but the patient always died.

Mr. HUMPHREY. That is correct.

But when there was a slight lift in farm prices resulting from a combination of factors over which he had nothing to do, he was quick to claim full credit and boast that his "policies" were now proving right.

Out in Iowa—once a good Republican State, coming more and more our way these days—the farmers are more realistic.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial from the May 17 issue of the Wallace's Farmer, one of the Nation's leading farm publications published in the heart of the Midwest farm area at Des Moines, entitled "Guard Against Too Much Optimism."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### GUARD AGAINST TOO MUCH OPTIMISM

Secretary Benson and some USDA agencies have really been playing up the favorable farm price situation.

They've predicted a 5 to 10 percent increase in net cash income this year. Benson, Farm Bureau, and others point out that now their program of "more freedom" is starting to work.

City papers have run with the ball, even to talking about a "boom" in rural America.

Farm prices did react favorably the first 3 months of this year. And we're glad to see folks get a decent return on their livestock operations.

But let's not lose our heads, and think that all our troubles are over. Mother Nature, pure chance, and farmers themselves are largely responsible for higher farm prices this year.

First, a highly unusual frost destroyed a lot of vegetable and citrus production in Florida. Prices soared because of the immediate shortage of these products on the market.

Growers elsewhere profited, partly at the expense of Florida producers. A short crop nets farmers more than a big crop.

Second, it was pure chance that all three classes of livestock are being held back to build up herds at the same time. It is one of the few times that trends for the three have coincided.

Third, the beef price strength is almost entirely farmer-made. Ranchers are holding back large numbers of cows and heifers to build up their herds. Feeders have delayed their marketings 30 to 60 days.

Hog growers, too, had a hand in making the good 1958 livestock prices. They voluntarily held 1957 farrowings stable to prevent a bust in prices this year.

Then, to top things off, egg production dropped 4 percent the first 3 months of this year. This boosted prices about 20 percent, on the average.

There is no real scarcity of meat or protein food. But the slightly reduced marketings across the board created a little price boom.

Then the boom started feeding on itself, since it encouraged further holding back of breeding stock.

The strong livestock prices helped boost corn prices, too. Corn went up about 16 cents at Chicago between mid-March and mid-April.

We're happy about the situation, along with Mr. Benson. But let's appraise the facts accurately.

Farm people have plenty of problems ahead. And most of them center around surplus productive capacity.

A big segment of farmers will be in trouble most of the time, as long as we keep on producing a little more than our customers want, most of the time.

Mr. HUMPHREY. Mr. President, that same skepticism is nationwide, in agriculture. Here is one more example—an editorial from the current month's edition of the Missouri Farmer, entitled "Missouri's Agricultural Picture." Mr. President, I ask unanimous consent that the editorial referred to be published at this point in my remarks, summarizing the depressed situation in the great State of Missouri.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### MISSOURI'S AGRICULTURAL PICTURE

Recent figures from USDA for the last several years show the Missouri agricultural picture like this:

Total gross cash receipts from farm marketings: about the same.

Production expenses: up sharply.

Number of farmers: decreasing steadily.

Net income per farm family: gradually declining.

The big problem which keeps plaguing all farmers is the continuous spiral of higher and higher production costs, and the steady slipping of the level of the average of all farm prices.

Let's look at some cost comparisons. Taxes on Missouri farms have gone up from a total of \$22 million in 1949 to more than \$34 million by 1956. That all-important item of interest on mortgages has climbed from \$7.7 million to \$13.5 million in the same period—up more than 75 percent. Due to the necessary use of more machinery, and more expensive machinery, depreciation costs have mounted from \$75 million to almost \$120 million in this 8-year period.

In 1956 all farm production expenses accounted for 70 cents out of every \$1 of gross income. When the figures are in for 1957 this may rise to nearly 75 cents out of each dollar. Back in 1949 these expenses took only about 57 cents per dollar of gross income.



Even though there are fewer farms to account for this total income, these production costs have eaten into this figure so far as to return less net income—not only to the State's agriculture as a whole, but also to each family left on the farm. In 1949 net income per Missouri farm was \$2,041. The estimate for 1957 is \$1,851. This presents an impossible condition. It's not just that it means lower profits and thus pressure on living standards for farm families, but it also jeopardizes the progress of agriculture.

How can a farmer justify long-range improvements—fences, lime, terraces, new buildings and machinery—when he is confronted with the very real possibility that he may be next on the list of disappearing farmers?

Mr. HUMPHREY. Mr. President, let me read the concluding paragraph of that editorial, to show how depressed farm income affects the entire economy:

How can a farmer justify long-range improvements—fences, lime, terraces, new buildings, and machinery—when he is confronted with the very real possibility that he may be next on the list of disappearing farmers?

Mr. President, I can say in all honesty that the sentiment in Minnesota agrees with that expressed by these editors in Iowa and Missouri.

All the Madison Avenue propaganda in the world cannot gloss over the fact that farm income has been steadily and consistently declining, during a period of rising production costs.

Farmers are getting further and further away from the goal of equality of farm income with income in other segments of our economy, which was declared the intent and policy of Congress so many years ago.

In establishing that goal, which still stands in existing law today, Congress recognized the fact that farm people and the resources they own make at least as much contribution on the average to the Nation's economic welfare as do non-farm people.

The risk in invested capital in farming is greater, not less, than the economy-wide average.

Modern family farming requires more skill and as great human strength and attention to details as does average non-farm work.

Modern family farming requires as high type of management ability as that required of the average manager of non-farm business enterprises.

In terms of pure interest return on invested funds, a dollar should be a dollar throughout the economy. Unfortunately, however, the farmer pays a higher interest rate on borrowed capital and earns a lower return on the funds he invests in his own business than any other businessman in the economy.

Farm income is far too low today, and it is not only farmers who should be concerned about it.

Inadequate farm income has not only retarded the economic and social development of rural areas; it has acted to prevent the Nation as a whole from the maximum attainment of its economic goals.

We cannot expect to go on having farm income decline a billion dollars a year, and farm indebtedness go up by

about the same amount, without serious consequences for the entire economy.

According to the Department of Agriculture itself, the return to the farm operator for himself and family per hour on typical commercial family-operated farms was less on many types of farms in recent years than the average hourly wages paid to hired farm labor on those same farms.

Last year, the Secretary of Agriculture himself reported to Congress that in 1956 the national average return per hour of farm operator and family farm labor was approximately 70 cents per hour, 30 cents per hour less than the statutory minimum wage for non-farm workers set by Congress under the Fair Labor Standards Act.

This disparity between farm income and non-farm income is becoming greater each year, despite our declared goals of public policy toward bringing them closer together. Current trends and current farm policies are not moving in the direction of closing the gap.

I do not want to appear pessimistic in reviewing these sad facts of our economic life today, because I do not believe such conditions have to continue. But I do believe these hard facts need to be emphasized to awaken the American people to the urgent need for concern over what is happening to agriculture. Farmers do not need to be told; their own pocketbooks and bank balances are warning enough. But the rest of the American people need to be shaken out of their complacency—a complacency, unfortunately, that the current administration has fostered by wishful thinking and repeated assurances that all's well when all is not well. The same complacency has been exposed in the field of science and satellites, by Sputnik I and II.

A depressed agriculture acts as a drag or brake on the rest of the economy. A depressed agriculture may not immediately pull the economy into a general business depression during a period of unbalanced inflation—but a depressed agriculture will most certainly hold down the level of total national income, and unless that contraction is offset by expansion in some other part of the economy, falling farm income would mean a reduced rate of national economic growth. We are already beginning to see that happen. We should have learned from experience, and heeded the warning that has been there for all to see for the last several years. Our so-called prosperity was meaningless when we were confronted with runaway inflation in some segments of our economy, and serious deflation in others.

What have we been doing about it? And, what is more important, what are we going to do about it?

I am endeavoring to avoid political partisanship, although it is hardly a secret that I believe Secretary of Agriculture Benson has given American agriculture its worst setback in several decades. As much as I regret being personal, it is impossible to review our farm situation without looking at what the present Secretary of Agriculture's misguided efforts have already done to

our farm economy, and what these policies still threaten to do unless we call a halt.

Bensonism and its basic premise of lower prices has given our farm economy a hefty downhill push, while perpetuating a lot of myths in the minds of the nonfarm public.

What did this administration promise when they offered lower price support levels as the cure-all for your farm problems?

They said it would improve farm income by gaining better prices in the free market. Yet farm income has declined faster and further, and farm prices have steadily dropped. The parity level for all farm prices was at 100 on election day in 1952. It is 84 today.

They said it would curtail production. Yet production has increased, instead of declined. The individual farmer has been forced to increase his production to attempt to keep his income from dropping as a result of the falling prices.

They said it would reduce surpluses. Yet CCC inventories today are nearly five times as high as they were at the end of 1952, and far higher than when the so-called flexible program went into full effect in 1955—despite many new tools provided for surplus removal.

They said it would lower the cost of farm programs to the Government. Yet the realized loss on price support operations has been more than twice as much in the last 5 years as in the preceding 20.

The simple truth is that the flexible theory of regulating output through lowered prices has been a complete failure—resulting in nothing but further depletion of farm income.

And yet all that President Eisenhower and Secretary Benson have recommended to the Congress is more of the same—more flexibility, still lower prices.

It is time to call a halt, and cry "enough."

It is also time to challenge these great myths being peddled to the American people about the Eisenhower-Benson farm policies.

I have yet to see any published results of sound scientific, statistical and economic research of current significance that indicates any connection or relationship between market prices or farm income and the volume of farm production and marketings.

But I do know these facts:

From 1929 to 1932, prices received by farmers dropped by 56 percent, the parity ratio dropped by 37 percent, national farm gross income dropped by 54 percent, national net income dropped by 67 percent, and net income per farm dropped by 53 percent. Yet total farm output did not drop; farm output per man-hour increased by 2 percent.

From 1951 to 1956, prices received by farmers dropped 22 percent, the parity ratio dropped 25 points—23 percent—national farm gross income dropped 11 percent, national farm net income dropped 38 percent, and per farm net income, adjusted for price change, dropped by 23 percent. Yet per man-hour farm output increased 10 percent, and total output increased by 7 percent.



All the argument about reducing prices and lowering production does not seem to hold true.

In no extended period when farm prices and income fell over a long period of years—and the drop from 1951 to 1956 is the longest sustained drop since the United States Department of Agriculture began keeping records in 1910—did either total or per man farm output decrease.

How, then, does Secretary Benson justify his bland assertions that production can be curtailed by cutting prices? And why does the American press blandly accept that theory as fact—when the facts prove otherwise?

The truth is that high fixed overhead costs make it necessary for farmers to keep producing.

Another fallacy that needs to be nipped in the bud is the Benson theory that lowering farm prices can increase farm income through stimulating consumption. Available economic studies indicate it would take at least a 5 percent cut in unit prices to obtain a 1-percent increase in volume of consumption, and this ratio appears to be rising. Even that assumes the entire reduction in farm prices would be passed along to the consumer—and recent history of widening marketing margins makes that unlikely.

Yet with all the economic evidence to the contrary, the administration persists in seeking still lower price support levels because of its fetish against interference in any way with so-called free markets.

That phrase "free markets" has an attractive sound to many, but slogans are not enough to save the farm economy. Let us look at what they are talking about, when they ask for farmers to return to a free market.

The idea of the so-called competitive free market for farm commodities involves a situation where no farmer or group of farmers would be assisted or allowed by government to exercise any control over marketings to raise prices.

Carried to the ultimate, such a policy would eliminate the price protective features of marketing agreements and orders for fruits, vegetables, and nuts. It would probably bring chaos to the fluid milk marketing industry. It would place United States wool and sugar production in full competition with imports without any protection of tariffs, import quotas, or Government payments.

In a competitive free market, the prices of cotton, rice, tobacco, and wheat and all other farm commodities would be allowed to drop to the unprotected world level established by unrestricted production. The prices of corn, other feed grains, soybeans, flaxseed, and cottonseed, would be allowed to drop to the level where the entire year's production would move into channels of trade during the year—with no reserves for any emergency.

Importers would be allowed to import as large a volume of competitive farm commodities as they saw fit. The International Wheat and Sugar Agreements would be abolished.

Farmers would be free to produce and market as much of any quality or any and all commodities as they could, but the Government would not stand by as

now to buy up or make loans on such commodities in order to hold up the average annual price above the free market level.

That, in effect, is what Secretary Benson is crusading for—if he is sincere in talking about wanting free markets. By his own words, he would use price support loans only to prevent wide swings in seasonal fluctuations but not to hold average annual prices above the so-called free market level.

If the farmer is expected to survive in such a visionary free market, what about the rest of the economy from which he must purchase his supplies, obtain his labor, and sell his product?

Is industry ready to give up tariffs and embargoes that keep out competing imports? Is it ready to abandon cost-plus contracts? Are the railroads, trucks, airlines, electric power, gas, and telephone companies ready to give up the Federal protection of monopoly control and regulations to insure profits on their investments, along with big salaries to management personnel? Is the businessman ready to abandon price maintenance safeguards and protection of law against predatory price cutting? Are the working men and women of the country ready to give up minimum wage and maximum hour legislation, as well as protection of collective bargaining?

I do not think so, and neither does anyone else in his right mind.

The truth is that we do not have completely free markets in our economy.

The prices of things that farmers buy, both production and family living items, are retail prices like the prices all consumers pay. These retail prices are based on the wholesale prices behind them, which are administered prices—prices set by manufacturers, money-market bankers, railroad companies, and many others, on the basis of their Government-sanctioned ability to withhold supply to maintain the set price.

The farmer not only buys his needs in an administered-price market dominated by sellers, but also farmers sell their products into markets where buyers have the upper hand.

The farmer does not sell, usually, to the final consumer of food and fiber products. Farm commodities must move through processing and marketing channels, where those who perform these services possess enough control over supply of their services to enable them to administer or control the prices they receive for such services. Since 1951, for example, the processing and marketing agencies have had enough bargaining power to obtain for themselves the entire drop in farm returns without sharing any with the consumer.

I have often wondered whether some of the loudest advocates of free markets for agriculture would be quite so vocal if it was a seller's market, instead of a buyer's market—if the farm producer had the upper hand in bargaining power. I am afraid if that was the case these same people would be appealing for Government regulation, instead of insisting upon free markets.

Perhaps one of these days we will have an opportunity to find out, whether we want to or not.

Farmers are at a bargaining disadvantage in the market place today, as they always have been. They need stronger bargaining power.

They have sought to strengthen their bargaining power, in many ways. They have done it through banding together in cooperatives. They have done it through working out programs of price maintenance and control of market supply through their Government, just as other segments of our economy have sought to protect their position through Government action.

But, somehow, the public has been led to believe it is wrong for farmers to turn to the Government for price and income protection even though it is accepted as a matter of right for railroads, airlines, utilities, industry, and labor.

To be sure the Government's role in our free society should never be one of dominating the market place. But it influences the market place every day in many ways. Its role should be as the "public interest policemen," seeking to keep a fair balance in our economy. This has been the purpose of our farm programs.

With agriculture now at such a disadvantage in the economy, farmers have every right to turn to the Government for help in ways to strengthen their bargaining power.

It is rather amazing to see that right being challenged. The interest of Government in agriculture is nothing new.

There is a 185-page compilation of United States Statutes designed in one way or another to strengthen the bargaining power of farmers in the commodity market, and to protect and improve farm income in other ways. Much of this legislation goes back many decades.

Although farm income is currently too low, farm gross income would be at least a third less, and farm net income would be more than a third lower, if it were not for the existing Federal farm programs.

Yes, farm income could be considerably higher if there was a will and a determination in the Department of Agriculture to use these laws enthusiastically and persistently.

While we need to improve our price support programs, modernize and expand our farm credit facilities, expand our research both for production efficiency and new uses for farm products—much more for the benefit of farmers could and should be done with the laws we already have.

Instead, most of the Federal programs have been whittled down in effectiveness by administrative decisions over the past 4½ years, some of which whittling was made possible when mandatory minimum levels of support were reduced in the Agriculture Act of 1954—after the President's veto of a more effective measure.

Unless this existing legislation can be made more effective, farmers must strengthen their bargaining power in other ways. Farmers may turn to united action on their own, by collective bargaining through producers co-ops, to establish prices and incomes



nearer to equality with other segments of our society.

The balance of bargaining power may well shift from buyers to sellers of farm products. Those now so anxious for free markets may be the first to prefer a new look at effective price-support levels or direct-payment methods of achieving more equality in farm income.

The sad truth is that this administration has literally wrecked our farm program already, and has no alternative to offer besides wrecking it the rest of the way.

Never before have we had a Secretary of Agriculture so costly to the taxpayers, and yet producing so little results for farmers.

The amazing thing is how well he has been protected by our great mass media of public information, in keeping the truth from the people.

How much longer can the public be deceived?

How much longer can the press go along defending Benson, yet attacking costs of farm programs and complaining about surpluses—when it is under Benson that costs have soared, and it is under Benson that surpluses have reached their peaks?

It is under Benson's legislation, asked for by Benson and the President, and administered by Benson, that farm income has collapsed while costs to the Treasury have soared—and production has added new surpluses to repudiate Benson's theory that lower prices would solve the surplus problem.

Mr. President, I ask unanimous consent to have printed at this point an article from the July 2 issue of the New York Times, headed "United States Expects Peak in Farm Subsidies."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES EXPECTS PEAK IN FARM SUBSIDIES—COST OF PROGRAM NOW PUT AT 6 BILLION, UP 1.4 BILLION FROM BUDGET FIGURES

(By Edwin L. Dale, Jr.)

WASHINGTON, July 1.—Record farm subsidy payments—not defense or anti-recession spending—are expected to push the Federal Government's expenditures to a peacetime peak in the 1959 fiscal year, which began today.

Government experts now estimate spending at about \$78 billion, perhaps a little less. The budget deficit will depend on the course of the recession and with its impact on tax receipts.

If recovery is brisk, the deficit may be in the comparatively modest range of \$6 billion to \$8 billion instead of the \$12 billion to \$12 billion that has been foreseen.

The irony is that the weather, not sputniks or unemployment, has been the chief cause of the upward revision in spending estimates.

The weather has produced good crops and hence the prospect of larger price support outlays by the Government.

Budget experts forecast today that the farm program would cost about \$6 billion in the fiscal year, against \$4,600 million in the budget submitted in January.

This would be about \$1 billion over the record set in the fiscal year that ended yesterday, when farm spending reached about \$5 billion.

The previous peak of peacetime spending was \$74,300 million in the fiscal year ended June 30, 1953.

The farm increase is easily the biggest single rise over the January estimates and will probably amount to more than all the antirecession measures together.

The rise is coming about despite constant, and generally successful, efforts of the administration to reduce price support levels on the basic crops. Farmers continue to grow record crops despite—or perhaps because of—the lower prices.

One fiscal official put it this way today: "I never dreamed I would see the day when a Republican administration would be spending \$6 billion on the farmers—and getting blamed at the same time for reducing farm prices."

#### SOIL BANK A FACTOR

Besides big crops, an enlarged Soil Bank and a new export subsidy program will contribute to the increase in farm spending over both the fiscal year just completed and the January estimates.

Elsewhere, there will be increases in defense spending (perhaps \$500 million to a total of \$40.8 billion), highways, Government workers' pay, and several minor programs.

All the increases would add about \$4 billion to the original estimated budget total of \$73.9 billion.

Few experts believe spending will reach \$80 billion—the upper figure mentioned by the Secretary of the Treasury, Robert B. Anderson, and the Director of the Budget, Maurice H. Stans.

However, experts caution that projections at this stage involve a great amount of guesswork and that almost any figure is possible.

#### WARNING TO CONGRESS

Still, it is understood that a major motive of Mr. Anderson and Mr. Stans has been to ward off still further spending schemes pending in Congress. Thus there has been a natural tendency to use the upper range of available estimates.

As for the deficit, there is a fair degree of confidence among the experts in various agencies that it can be handled without necessarily creating a serious inflationary problem.

Although there is concern about this problem, the potential inflationary effect can, at least in large part, be offset by appropriate Federal Reserve policy. This is a view taken in both the administration and the Federal Reserve.

Besides, it is generally felt that a deficit of the expected size would not be seriously inflationary at a time when the economy was operating well below its potential output.

The real issue, officials believe will be whether appropriate anti-inflation policies are adopted once recovery gets well underway.

Several leading officials are much less worried about the deficit than about the new higher "plateau" of spending that the fiscal year beginning today is likely to establish.

Their reason is that such a level of spending—in the range of \$78 billion and upward—will foreclose significant tax reduction for a long time.

Tax reduction is still viewed within the administration as essential to achieving more rapid economic growth. Hence the glum view of the spending prospects, even though the deficit may prove fully manageable.

Mr. HUMPHREY. Mr. President, this particular article reveals that the cost of the farm programs has more than exceeded \$5 billion; in fact, it is now about at the \$6 billion mark—\$1.4 billion over

the budget estimate. Still, the program is not working.

Where are our great economy advocates in Congress? Are they not concerned about this mounting expense with no results to show for it?

Yet look around and count them, these men who have made a specialty of voting for economy, and of calling some of us reckless spenders.

They voted for Benson. They voted for Benson's policies. They voted for this reckless waste of funds because they would not heed the lessons of experience in farm legislation.

Will they continue blindly to follow this foolish path of more Bensonism, regardless of cost?

Every time Secretary Benson has asked Congress to lower farm prices, claiming it would have the Government money, it has ended by costing us more.

I should like to see some of these economy advocates really justify their support of Secretary Benson, the great conservative who would pay any price to destroy farm legislation.

The sad part of it is that effective propaganda has made consumers and the public generally think Benson is a hero—the man who is against all this expenditure—when actually he is the man who has caused it and asked for it.

After running up the costs, and then using them as a reason for trying to destroy farm programs, Secretary Benson has next moved to turn consumers against farmers by unjustly trying to convince them that farm programs are responsible for the high costs of food in the retail market.

That myth was effectively answered last month by Chairman COOLEY of the House Agriculture Committee, in an address before the Livestock Marketing Congress in New Orleans, when he publicly charged that the Secretary of Agriculture, Ezra Taft Benson, "by word and deed, is carrying the impression throughout the country that farmers are responsible for high food prices, when, in fact, the prices received by farmers today are substantially below their levels when he took office a little more than 5 years ago."

Let me quote from more of Chairman COOLEY's appropriate remarks about Benson:

Why doesn't he tell the people that the Nation's consumers purchased 11 percent more farm-produced food in 1957 than in 1952, but paid farmers \$600 million less for this increased quantity of food?

Why doesn't he tell you that, in contrast, consumers paid to the processors of food and to marketing middlemen \$6.1 billion, or 25 percent more, in 1957 than in 1952?

Chairman COOLEY had many more effective facts to present—facts that need to be studied by any colleague willing to seriously reappraise his views on agricultural legislation.

Mr. President, because I think the speech is so good, I ask unanimous consent to have printed in the RECORD at this point a press statement summarizing highlights of Representative COOLEY's remarks.

There being no objection, the press statement was ordered to be printed in the RECORD, as follows:



HIGHLIGHTS OF A TALK BY HON. HAROLD D. COOLEY, OF NORTH CAROLINA, CHAIRMAN OF THE HOUSE COMMITTEE ON AGRICULTURE, BEFORE THE NATIONAL LIVESTOCK MARKETING CONGRESS, SPONSORED BY THE AMERICAN NATIONAL LIVESTOCK AUCTION ASSOCIATION, NEW ORLEANS, LA., JUNE 14, 1958

Mr. Cooley charged that Secretary of Agriculture Ezra Taft Benson, "by word and deed, is carrying the impression throughout the country that farmers are responsible for high food prices, when in fact the prices received by farmers today are substantially below their levels when he took office a little more than 5 years ago."

Mr. Cooley said "one must suspect that this new propaganda fits into Mr. Benson's program for cutting farm price supports down to 60 percent of the parity or fair price," and he asked "why doesn't he tell the people the truth, instead of prejudicing the consumer against the farmer?"

"Why doesn't he tell the people that the Nation's consumers purchased 11 percent more farm produced food in 1957 than in 1952, but paid farmers \$600 million less for this increased quantity of food? Why doesn't he tell you that, in contrast, consumers paid to the processors of food and to marketing middlemen \$6.1 billion, or 25 percent more, in 1957 than in 1952?"

"Why doesn't the Secretary, the principal spokesman of agriculture in the country—or should be—point out to worried consumers that in 1952 net income per farm in the United States averaged \$2,789, and dropped in 1957 to \$2,496 per farm, while the average income of a nonfarm family of three persons increased from \$5,499 in 1952 to \$6,135 in 1957?"

Mr. Cooley warned that the livestock industry, although currently enjoying reasonable prices, confronts an inevitable crash unless Government policies are formulated forthwith to forestall a buildup of market gluts of cattle and hogs.

He appealed to the members of the American National Livestock Auction Association, and all others gathered in New Orleans for the marketing congress, to work for a sound Government program that will assure stable and fair income for livestock producers and for all segments of agriculture, and which "will be fair to farmers and consumers alike."

"Mr. Benson has been in the process of destroying the farm program for 5 years," he said, "He seems now to be going about the job of convincing the public that farmers never had it so good. That impression certainly would be useful to his efforts in Congress to reduce farm price supports as low as 60 percent of parity. But the facts and figures assembled by the Agriculture Department's own technicians and statisticians absolutely refute Mr. Benson."

"The Department estimates each month, on the basis of current prices, the annual costs on basic items of food for the average American family. The reports on this family annual 'market basket' show that, on the basis of prices prevailing during the first 3 months of this year, farmers will get \$436 in 1958 for all the items in the basket, a decrease of \$46 from the \$482 received in 1952, while the consumer will pay \$1,054 in 1958, an increase of \$20 over the \$1,034 paid in 1952. Thus, while returns to farmers declined, the cost of processing and distribution has increased from \$552 in 1952 to \$618 in 1958. The items covered include meat and dairy products, poultry and eggs, bakery and cereals, fruits and vegetables and fats and oils."

Moreover, Mr. Cooley pointed out that, even with the substantial increase in the costs of food between the farmer and the consumer, the average wage of factory workers will buy substantially more food today than in 1952 and in prior years.

"In 1929," he said, "the average wage for 1 hour of factory labor throughout the country would buy 6.4 loaves of bread, and in April 1958, 11 loaves; the hour's average wage in 1929 would buy 1.2 pounds of round steak, in April 1958, 2 pounds; pork chops in 1929, 1.5 pounds, and in 1958, 2.3 pounds; sliced bacon, 1929, 1.3 pounds, 1958, 2.7 pounds; butter, 1929, 1 pound, and 1958, 2.9 pounds; cheese, 1929, 1.4 pounds, and 1958, 3.6 pounds; milk, 1929, 3.9 quarts, and 1958, 8.5 quarts; eggs, 1929, 1.1 dozen, and 1958, 3.6 dozen; and potatoes, 1929, 17.7 pounds, and 1958, 25.7 pounds."

Mr. Cooley told the Livestock Marketing Congress that the Nation's farm program came into being to rescue agriculture from bankruptcy during the great depression, and that it served agriculture well, "until Mr. Benson began dismantling it." He noted particularly that feed grain production adjustments and price supports helped maintain stable price for livestock for many years.

"I earnestly request all of you here to look at what has happened. Look at the 20-year program prior to 1953, and compare it with the 5-year program under the present Secretary."

"The official reports of the Department of Agriculture show that the price support program through the Commodity Credit Corporation operated for 20 years prior to 1953 at an actual profit of over \$13 million on the programs for the basic crops, and the loss on all crop operations at the end of the 20 years was only \$1,064,000,000, whereas losses in the last 5 years have amounted to over \$4 billion. It should be pointed out, moreover, that with price supports at 90 percent of parity for 11 consecutive years prior to 1953 the actual farm prices were at 100 percent of parity or better, and farm program costs were negligible, whereas during the recent years of falling farm prices, program costs have skyrocketed. And larger and larger stocks have accumulated in our warehouses."

Turning specifically to the livestock situation, Mr. Cooley said:

"Secretary Benson in recent weeks has attributed the current increase in livestock prices to the administration's farm policies. I only wish this were true. But, unfortunately, we are again witnessing a gross misunderstanding and misinterpretation of agriculture's basic economic position."

"The higher farm prices this year are the combined work of farmers themselves, Mother Nature—and pure chance."

"By chance, cattle, hog, and sheep producers all decided to hold back animals and rebuild their breeding herds in the same year. The ending of the 7 years of drought in the Plains States last summer was an important factor, as all of you well know, in the demand for cattle, as cattlemen from the Plains have bought heavily at your auction markets, to restock their lands that are flourishing again."

"Let us appraise the facts."

"Livestockmen and all farm people confront problems that relate to their very survival. Most of these problems center on our vast surplus productive capacity."

"I am sure that every one of you here is interested in a fair return for the producer of the livestock that runs through your markets. In my way of thinking there is no room in the livestock marketing business for anyone who is not concerned with the well-being of the livestock producers."

"Now let us look realistically at the livestock situation and the dangers ahead."

"I am reliably informed by livestock specialists that had hog production expanded sufficiently to utilize fully the 1957 production of feed grains hog prices would be about 50 percent lower than they will be this summer and fall."

"Even if no feed grains at all were produced this year, we would have enough in the bins to feed out a normal pig crop in 1959, with enough left over to feed our dairy cows, and other animals a full year. And listen to this: feed-grain production this year, with excellent moisture conditions throughout the country, promises to establish a new record, to pile surplus upon surplus."

"This feed must be fed."

"Unless we are able to deal effectively with these huge surpluses, to influence orderly marketing of livestock through adjustment of feed production and utilization, under an effective program, the livestock industry must expect disastrous prices in not many months ahead."

"We in the House Committee on Agriculture have been working days, weeks, and months to write legislation that will prevent such a bust, with its disastrous effects upon many thousands of livestock producers and farmers. We have drawn legislation for presentation to the House which would deal directly with the feed surplus problem. At the same time we have been working on legislation aimed at enabling the livestock industry to finance a program for promotion of greater consumption of meat, and we have sought to hold jurisdiction of the livestock industry within the Department of Agriculture, resisting efforts to turn this largest segment of agriculture over to another agency of Government."

"In our efforts to deal with the feed surplus problem we have had no cooperation from Mr. Benson. In fact, we have had nothing but opposition."

"The Secretary has no program for livestock, except to beat down the price of feed grains. He has asked the Congress to let him reduce the support price on corn as low as 60 percent of parity."

"Cheap feed makes cheap livestock—and try as you will, you can't escape it. What Mr. Benson seems never to have comprehended is the fact that livestock producers go broke most often during periods of cheap and abundant feed and that they enjoy their greatest prosperity in times when the prices of feed are stable and at a level profitable to feed producers. All our experience proves that."

"Corn dropped to 55 percent of parity in February and March of this year. A continuation of the administration's policies, for cheaper and cheaper feed, would mean that corn and hog producers must expect prices to average 50 to 60 percent of parity in the next few years. They cannot expect corn prices to average more than 80 cents to \$1 a bushel and hogs to average more than \$10 to \$12 per hundredweight. The effect of cheap feed upon livestock prices may be longer arriving, but it surely would come. These are the warnings of sound economists, not theorists."

"Surely those who look upon the current temporary improvement in farm income as a vindication of the administration's policies are doomed to bitter disappointment and their disappointment will be realized within as short a period as 18 months."

Mr. Cooley told the Livestock Marketing Congress that it is not necessary to embark upon direct controls for cattle and hog production, to forestall the trouble that now looms ahead. He concluded:

"I am confident that, if we had the cooperation of Mr. Benson, we could avoid catastrophe for the livestock industry, by an effective program adjusting the supply and price of feed grains. I pledge you that, whatever course Mr. Benson may pursue, I shall keep on striving to assure to the livestock industry and to agriculture generally a fair return for their contribution to our economy, our health, and to our strength as a Nation."



Mr. HUMPHREY. Mr. President, fortunately, some writers are no longer willing blindly to buy the myth of Secretary Benson's infallibility. Some are looking at the facts, and are bringing them out into the open. Some are insisting that the public should know the truth.

One of them is Tris Coffin, a distinguished and objective reporter and writer, who told this story in an impressive manner last March in an article written for the *New Leader* under the title "Farm Income Lowest Since 1942—Down 24 Percent Under GOP."

Because it contains facts pertinent to the issue before us, Mr. President, I ask unanimous consent to have printed at this point in my remarks the article by Tris Coffin to which I have referred. I commend it to my colleagues for serious reading. It exposes the myth of Bensonism, and tarnishes the halo which this Cabinet member has tried to create for himself.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

FARM INCOME LOWEST SINCE 1942—DOWN 24 PERCENT UNDER GOP

(By Tris Coffin)

Secretary of Agriculture Ezra Taft Benson, whose piety is as well advertised as his dislike of farm subsidies, has performed a miracle. It is the very opposite of the miracle of the loaves and the fishes. The story emerges from statistics dug out of the Department of Agriculture and Labor and the Securities and Exchange Commission:

During Benson's 5 years in office, the price the housewife pays for food has increased enough to inhibit buying of other goods. In Consumer Price Index, food prices have risen 5.4 points (112.8 to 118.2) from January 1953 to January 1958.

Farmers' net income has dropped 24 percent. Last year witnessed a fall of 4 percent, from \$12.1 billion to \$11.5 billion—the lowest total since 1942. Prices paid to farmers have slipped 16 percent, and the farmers' share of consumer food spending fell from 47 to 40 percent in 5 years.

The Government's losses on farm prices supports are  $3\frac{1}{2}$  times greater than in all the 20 years before Benson took office.

The budget of the Agriculture Department, a la Parkinson's law, has soared from less than \$1.5 billion to \$7 billion. Nearly 20,000 employees have been added to the payroll.

Surpluses have piled up, and three times as much corn is on hand now as when Benson took office.

The farm population has decreased by more than 2 million.

Farm debt has increased by \$3.2 billion.

The farm foreclosure rate has doubled.

Distribution of surplus food to schools and charitable institutions has failed to keep up with needs. Last year, at a time when Benson was warning Congress of enormous dairy surpluses, the Department of Agriculture shut off distribution of butter, at least in Wisconsin, for 10 months to publicly operated mental hospitals, orphanages, homes for retarded children, youth correctional schools, prisons, and needy persons; the reason given was a threatened shortage of butter.

Senator WILLIAM PROXMIER, Democrat, of Wisconsin, who has become one of Benson's most vexing earthly banes, reported in the magazine *Presbyterian Life*: "In 1954, the United States Government sold the entire supply of dried skim milk in Government storage to animal-feed manufacturers. The

dried milk was high quality and fit for human consumption. This sale of more than half a billion pounds of dried milk took place while millions of little children in Asia, Africa, and Latin America suffered from the dreaded disease, *kawashiorkor*. This malady causes both mental and physical deformity, and costs the lives of half the victims receiving hospital treatment. For this ugly killer and maimer of the world's most unfortunate children, a little bit of milk reconstituted from dried milk powder is a complete cure."

There is, however, another side to the Benson story:

Profits of food and kindred products manufacturers increased 36 percent from 1952 through 1956. Food chains and food processors have, in fact, been the chief beneficiaries of the Benson policy, as the spread between the farmer's take and the housewife's bill has continued to widen. Between 1952 and 1956, representative chains and processing firms increased their profits by the following percentages: Borden, 33.8; National Dairy Products, 50.1; Beatrice Foods, 83.2; Cudahy Packing, 186.9; Wilson & Co., 111; Armour & Co., 105.2; Quaker Oats, 69.9; Corn Products Refining, 51.4; National Starch Products, 162.2; General Mills, 28.1; Fairmount Foods, 210.7; Safeway Stores, 246.5; Super-Valu Stores, 172.4, and Food Fair Stores, 90.1.

Secretary Benson is asking frantic Midwest Republican Congressmen to run on his record this November. Thus far, one Congressman—neither a farmer nor a Midwesterner, but a New Hampshire lawyer with banking connections—has taken his advice.

Ezra Taft Benson arrived in office after a political campaign in which General Eisenhower and his party accused the Democrats of being too miserly toward the farmers. Eisenhower at the 1952 national plowing contest near Kasson, Minn., promised 100 percent of parity. (This has since been denied, but at least five farm-belt newspapers, the *Milwaukee Journal*, *Lincoln Journal*, *Dubuque Telegraph-Herald*, *Minneapolis Star*, and *Indianapolis News*, so reported at the time.)

Benson was no stranger to Washington. He had been executive director and chief Washington lobbyist for the National Council of Farmer Cooperatives from 1939 to 1943. Its members included the huge California fruit Growers Exchange, whose products bear the Sunkist label. In this job, he fought effectively against OPA, worked to curb the power of organized labor (he wanted to outlaw the closed shop during the war), and criticized the Agriculture Department for setting up wage and working condition standards for imported Mexican labor. A statement from his office in November 1942 said: "Refusal of the (Roosevelt) administration to discard its prewar concept of the use of labor in industry has resulted in disgraceful inefficiency and a wastage of labor that is retarding the war effort."

Soon after General Eisenhower announced his appointment, Benson gathered his advisers (many of them from food processors and large food chains) and set up temporary offices in the Washington suite of Avco Manufacturing. There he was the guest of its farm consultant, Karl Butler, who became his number one aide. Very recently, according to the *Chicago Daily News*, Benson consulted A. P. Davies, of the American Meat Institute, in framing his reply to worried GOP Congressmen. Keynote of the reply was this sentiment: "Concern for the political fortunes of individuals cannot transcend the very function of Government, which is to protect and help its citizens."

Most important was the new Secretary's philosophy. Fundamentally, he opposes subsidizing the farmer, believes agriculture should be returned to the basic laws of sup-

ply and demand, and wants marginal farmers removed from the land. (He has never proposed, however, any orderly program for training these deportees in new skills and for finding jobs for them.) He seems to regard the small farmer as shiftless, devoid of the virtues of thrift and hard work, and admires the efficiency of the large corporation-type farm. His philosophy was revealed in a "General Statement on Agricultural Policy" issued shortly after he took office. It said in part:

"It is doubtful if any man can be politically free who depends upon the State for sustenance. \* \* \* Inefficiency should not be subsidized in agriculture or any other segment of our economy. \* \* \* Too many Americans are calling on Washington to do for them what they should be willing to do for themselves."

What this has meant in practical terms is lower price supports, through the Benson flexible parity plan, on a wide variety of farm products. Critics note that relatively high prices have been maintained for sugar and wool, two commodities raised in his State of Utah.

Secretary Benson treats his revolution of the farm economy as a semireligious mission. He is one of the 12 Apostles of the Mormon Church, a position roughly equivalent to a Catholic cardinal. Congressional critics who storm into his office are chastened by a religious picture and softly voiced religious phrases.

In a speech promoting the philosophy of freedom in agriculture, the Secretary said:

"This objective did not originate with me. I firmly believe that it was laid down by God in Whom we trust as a proper plan for the lives of men everywhere. \* \* \* As a citizen, as a churchman, and as a public official, I feel compelled to do all in my power to advance toward this essential goal as God may give the wisdom and strength to do so."

Similar expressions are: "The President has asked Congress to give us the tools. Give us the tools so that we can help farmers help themselves and with God's help build a constructively sound agriculture for you and your children. \* \* \* While the Department is my responsibility, I shall work as fully to that end as God gives me the wisdom and strength to do."

Representative EUGENE MCCARTHY (Democrat, of Minnesota), in a House debate, questioned the Secretary's use of religion to sell his program. MCCARTHY noted: "The Secretary did tell the people of Utah that he had received a witness from the Almighty that he was acting as he should in being Secretary of Agriculture. \* \* \* Also, I heard him at the grain exchange dinner in Minneapolis, talking about the President, say that this man—the President—could reach out and put his hand on the unseen power and use it when he needed it."

The religious side of Secretary Benson has won him the unswerving support of President Eisenhower, who is not usually as firm as he has been in his defense of Benson. Those who know Mr. Eisenhower claim he regards Ezra Benson as something of a saint who is being martyred by pagans. The story is told that last year Benson offered to resign, and the President replied with deep emotion: "If you go, Ezra, I go, too."

Secretary Benson's policies and their results have added to the general feeling of hopelessness in dealing with the vast farm problem. The average American farmer is unable to hold his own in the great struggle for the dollar. He is being pushed off by corporation-type farms run like Ford assembly plants, by giant food processors, and by the food chains. Yet, if the small farmer cannot be encouraged to stay on the land and produce, agriculture, too, will be swallowed up by the giant corporations which, more and more, dictate the economy, morale, and living styles of the American people.



Congressional leaders know they can never go back all the way to the rigid price-support program. Nor can they let Benson continue to carve away at farm subsidies. A combination of many ideas, old and new, must be thrown together. Senator PROXMIRE has filed a bold 103-page bill which would, among other things, do the following:

Change the parity formula and provide payments of 80 to 100 percent.

Limit the amount individual farmers could receive for restricting production.

Apply a tax on processors.

Create a tariff formula for duties on such imported foods as dairy products.

Set up a food, fiber and fat stockpile program as a reserve against natural disasters, insect pests, disease and war, just as certain metals and equipment are stockpiled now under Government subsidy.

Liberalize loans to farmers and co-ops.

Create a food-stamp program so that low-income families could obtain enough food to maintain a dietary standard.

Enlarge the school-lunch program to provide each child with a pint of milk a day.

Set up an International Food and Fiber Reserve Bank to prevent famines, help absorb temporary world market surpluses, and finance economic and social development programs.

PROXMIRE's plan would be controlled in large part by farmers through a national board and local committees. His bill parallels in many ways the thinking of former Secretary of Agriculture Charles F. Brannan, who would set up a multiprice system. Farm commodities would seek their normal competitive levels in the market place, and the farmer would receive the difference between the price he receives and parity. In addition, the Agriculture Department would sell surplus food to low-income and aged persons at prices they can afford.

Senator PROXMIRE's omnibus bill is lying in the Senate Agriculture Committee with little chance of action. At this time, given all the other economic woes with which it must contend, it seems doubtful that this Congress will attempt any basic reforms in the farm program. Instead, mindful of the election ahead, it is likely to pass high and rigid price supports for commodities (such as dairy products) whose growers are facing acute crisis.

Mr. HUMPHREY. Mr. President, the farm policy being pursued by this administration certainly has proved extremely costly to farmers. It has squeezed hundreds of thousands of them right out of their economic existence.

But that is only part of the toll taken. The cost to taxpayers has been tremendous, despite the lack of results to either farmers or consumers.

This administration's policies have been designed to lull city consumers into believing that low farm prices would continue indefinitely to subsidize the cost of living. This is Secretary Benson's big bid for urban support behind his low-farm-price legislation. It is unfair, of course, to mislead consumers this way, and may prove dangerous to the entire national economy.

To determine what it costs the city wage earner to feed his family, workers in the United States Department of Agriculture keep a running check on farm prices of 60 food items which go to make up the "family market basket."

In 1947, when farm prices were at a peak, that food basket cost the city consumers \$911 for the year. The farmer got \$467 of that.

In 1957, with farm prices at low levels, the family market basket cost increased to \$1,007; yet the farmer's share dropped down to \$400.

The city housewife has often blamed the farmer for the increased cost of food items in her market baskets. The facts do not justify this: (a) Retail food prices climbed 16 percent in the last 10 years, while farm prices went down 14 percent; (b) farmers received only 40 cents of each consumer food dollar in 1956, compared with 52 cents in 1946.

Here is a table showing what happened to the various items in the typical market basket between 1946 and 1956:

|                                  | Retail cost<br>(percent) | Farm value<br>(percent) |
|----------------------------------|--------------------------|-------------------------|
| Bakery products and cereals..... | Up 34.....               | Down 7.                 |
| All bakery products.....         | Up 31.....               | Down 16.                |
| Dairy products.....              | Up 15.....               | Down 5.                 |
| Meat products.....               | Down 5.....              | Down 29.                |
| Poultry and eggs.....            | Down 13.....             | Down 21.                |
| Fruits and vegetables.....       | Up 12.....               | Up 7.                   |

In 1947, farmers got 2.9 cents for the wheat in a 12.5-cent loaf.

In 1955, farmers got 2.7 cents for the wheat in a 17.7-cent loaf.

In 1947, farmers got 10.3 cents for a quart of milk retailed at 18.8 cents.

In 1955, farmers got 10.2 cents for a quart of milk retailed at 22.5 cents.

Clearly, the farmer is not benefiting from higher food prices. As the consumer pays more, the farmer gets less. The gap between farm value and retail price is widening steadily.

This gap is called the marketing margin or price spread. It includes the charges for handling, transporting, and processing farm commodities from the time they leave the farm until they end up in the consumer's market basket.

These in-between charges for middleman services account for increasing retail prices and declining farm returns.

The consumer who knows enough not to blame the farmer for higher prices is inclined to put the blame on labor. This is because food processors and retailers have put on a high-powered campaign to persuade both farmer and consumer that rising labor costs are responsible for widening market spreads.

The food industries claim that they cannot absorb wage and salary increases and must pass them on to the consumer in the form of higher prices—and backward to the farmer in the form of lower returns.

But the facts disprove this claim:

First. Wage and salary increases in the food industries account for only a fraction of the terrific drop in farm receipts.

Second. Most wage increases were justified by increased productivity—output per man-hour—and even if they were not, food industry profits were high enough to absorb them.

Third. Food industry profits have been increasing: (a) in 1952, food industries earned 7.6 percent after taxes—16.8 percent before taxes—on stockholders' equity; (b) in 1955, they earned about 9 percent after taxes—18 percent before taxes—on stockholders' equity; (c) in 1956, food processors' profits rose 7

percent over 1955, and retail chainstore profits were up 29 percent.

These damaging facts explain why corporate middlemen are so anxious to find a whipping boy. By pitting consumer against farmer, or consumer and farmer against labor, they hope to distract attention from their own gains made at the expense of other groups.

It is unlikely the family farmer and the wage earner will fall for this. They know they are each other's best customers and that their economic well-being is inseparably interwoven.

Mr. President, this strange situation of soaring food prices while farm income collapses was discussed last month in an enlightening column by Drew Pearson. Every consumer should read it.

Mr. President, I ask unanimous consent to have printed in the RECORD the Drew Pearson article entitled "Profits Zooming for Food Firms."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### PROFITS ZOOMING FOR FOOD FIRMS

(By Drew Pearson)

Most interesting question the housewife and the farmer would like to have answered is why prices on the farm go down while prices in the grocery stores go up.

Since 1952, the year Ezra Taft Benson became Secretary of Agriculture, to 1957, the prices paid to farmers dropped by 16 percent while prices paid by the housewife went up 2 percent. When she went to the grocery store she just did not get any advantages from the fact that farm prices had dropped. Furthermore, this trend is continuing. During a recession prices usually drop. People whose lose their jobs have at least the opportunity to buy food cheaper. But during 1958, according to the Bureau of Labor Statistics, the price of food is still going up.

The question—why this widening gap between food on the farm and food in the grocery store?—is one of the most important in the Nation, and here is an attempt to answer it.

Answer No. 1: Can be gleaned from the stock market. During the big stock market crash of October 21-22 last year when 4,670,000 and 5,090,000 shares were sold, food stocks hardly budged. The wise guys on Wall Street knew they were making money and didn't trade them short.

General Mills, biggest flour firm in the Nation, went down only one point. General Foods, biggest food company, went down only five-eighths. Swift, the big meatpacker, went down half a point; Cudahy down three-eighths, and Armour a point and a half. Safeway chainstores dropped only one-quarter, Food Fair by only three-quarters.

#### ZOOMING PROFITS

Again, on November 26, the day of Mr. Eisenhower's cerebral attack, the stock market took another slump with \$5 billions of profits wiped out. But food stocks stood like financial rocks of Gibraltar. General Mills went up one point. Food Fair went up a quarter of a point. Swift, Armour, Cudahy, Safeway dropped by mere fractions.

Since then, food stocks and grocery stocks have enjoyed a healthy, consistent climb—General Mills up around 10 points, General Foods up 12 points; Swift, Armour Cudahy, all up three; Food Fair up eight.

Answer 1A: It is part of the same answer, but if you look at the financial statements of these companies on file at the Securities and Exchange Commission you can understand why their stocks stand firm and how they are making money while both the housewife and farmer suffer.



Safeway Stores' profits under Mr. Eisenhower and Benson increased 246 percent between 1952-56. Food Fair Stores during the same period went up 90 percent; Super-Valu Stores up 172 percent.

The meat packers also fared well. Cudahy profits went up 186 percent under Ike; Wilson & Co. went up 105 percent; Armour up 105 percent. The only meat firm which went down was Swift & Co., which made \$21,698,000 in 1952 under Mr. Truman and \$13,462,000 in 1956 under Mr. Eisenhower.

The big dairy firms did all right, too. Borden's profits went up 33 percent under Ike; National Dairy Products went up 50 percent, while Beatrice Foods went up 83 percent.

The big cereal companies did not do badly either. Quaker Oats, whose executives are heavy contributors to Mr. Eisenhower's campaign funds, saw their profits go up 89 percent. Corn Products went up 51 percent; General Mills up 28 percent; National Starch 162 percent, and Fairmont Foods up 210 percent.

Answer No. 2: What's the reason for these tremendous profits? Part of it is failure to enforce the antitrust laws. With the virtual disappearance of the corner grocery store and with retailers more and more dependent on the giants of the food business, the only protection of the housewife is enforcement of the antimonopoly laws.

However, the Justice Department's Antitrust Division has become a political instrument, as recently shown by Congressman CELLER's investigation of the telephone company. And Secretary Benson, who is supposed to enforce the antimonopoly laws against the meat industry, has as one of his best friends Aled Davies, lobbyist for the American Meat Institute. Davies is now trying to block the O'Mahoney bill which would transfer the enforcement of the monopoly laws regarding the meatpackers away from Benson and put them with the Federal Trade Commission.

Answer No. 3: This is the manner in which Secretary Benson has taken representatives of the big meatpackers, the big dairy companies, the big grain processors into his Agriculture Department and made them, not the farmers, the chief beneficiaries of his administration.

This is an important story which will have to be reserved for another column.

Mr. HUMPHREY. Mr. President, consumers should be alert to where their own best interest really rests. It is easy to talk about free markets and letting supply and demand determine prices—when one is a buyer and knows there is an oversupply that will force prices down.

But consumers should look at the other side of the coin and see what the supposed purpose of the so-called free market approach to farm policy really is. The purpose, its spokesmen say, is to discourage enough producers and enough production to bring supply in line with cash demand, and achieve 100 percent of parity in the marketplace. Now, I wonder if consumers realize what such a scarcity philosophy could and would do to prices—particularly with the natural hazards hanging over agriculture that can so quickly turn balanced supply into serious scarcity. I wonder if businessmen really want supply trimmed exactly to demand—with no cushion to protect them from shortage.

If agricultural supply and demand were in balance in this country today—the objective everybody seems to profess—we would be faced with demands

for price controls to keep food prices from soaring.

The truth is that the cushion of excess production beyond immediate effective demand is the public-interest stake in farm policy—a stake for which in all fairness some public price must be paid to keep it from penalizing the farmer.

Clearly, our Nation needs a new and different farm policy, and it needs it now. It must be based upon a recognition of the need for a rising net income for agriculture—not alone for the sake of farmers, but for the sake of our entire economy. It must be based upon recognition of the public interest stake in abundance rather than scarcity—both for the sake of our own consumers, and for the sake of our international commitments. It must be based upon recognizing that American agriculture has assumed a changing role, and having to be concerned with world needs rather than merely our own domestic needs. It must also be based upon recognizing that changes are underway within agriculture itself, changes which could further serve or seriously harm the public's interest, depending upon how they are directed as a matter of public policy.

Encouraging abundant production as a matter of public policy need not mean blindly perpetuating over-production of commodities for which no real foreseeable need exists. Rather, it means encouraging shifts in production toward commodities better serving our long-range needs.

The basic question is whether desirable shifts, in the public's interest, should be encouraged by incentive, or forced by economic hardship which really would just shift an economic and social problem from rural America to the relief rolls in our cities. Quite frankly, I can see little wisdom in policies designed to speed the movement of people off farms into our cities, looking for alternative opportunities for making a livelihood at the very time unemployment is becoming a serious national problem.

Unfortunately, nothing in the proposed legislation offers any real long-range solution to current problems in our farm economy—and at best only provides makeshift short-range solutions. Even those are offered at a price of backing away from fundamental principles without any real examination of where we are headed.

Regrettably, the administration is still clinging to false assumptions as the basis of its recommendations—assumptions that history has proved to be erroneous and unfounded. Basically, the problem starts from clinging to the theory that lower prices would bring everything into proper adjustment, and would stimulate enough consumption to solve the farm problem.

It is time someone paid heed to scholarly works contradicting the assumptions on which administration policies are based.

Dr. Willard Cochrane, professor agricultural economics at the University of Minnesota, is the author of such a work in a challenging book entitled "Farm

Prices: Myth and Reality," published by the University of Minnesota Press.

This is not the propaganda of a farm organization. This is not merely some political stump speaker. This is a careful analysis by a foremost agricultural economist, a nominee for the presidency of the American Farm Economic Association, a former economist with the Food and Agriculture Organization of the United Nations, and with the United States Department of Agriculture. It is a factual presentation about where farm prices come from—and should be must reading for any serious students of the farm problem.

In presenting the book, the University of Minnesota Press declared:

—Farm prices are constantly fluctuating, and out of this price variability emerge such serious and continuing farm problems as variable incomes, low incomes over extended periods, and uncertainty in production planning.

In this study, Professor Cochrane seeks to get at the root of the trouble by, first, exploring and exposing what he considers a basic fallacy in our present day thinking and approach to the farm problem. This is the widely held myth of an automatically adjusting agriculture, an agriculture that is always out of balance because of an emergency. This myth, he points out, beclouds the issues involved in the whole farm problem.

The farm price myth splits two ways in the public mind, Mr. Cochrane explains, but these divergent attitudes represent differences only in mechanics, not in principle, and they are equally effective in obscuring the real picture. One segment of the public believes that agriculture, if left alone for a while, would gravitate toward and stabilize at some desirable level and pattern of prices, production, and incomes. The other segment believes that the same result would occur if agriculture were given a temporary helping hand by the Government. Mr. Cochrane shows the fallacies inherent in both of these convictions by presenting an integrated, overall picture of farm price behavior as it really exists. On the basis of this realistic view, he presents the two alternatives or hard policy choices that he believes the American farmer faces today.

That is what the University of Minnesota Press had to say of Dr. Cochrane's book.

A constructive review of the same book was written and published recently by Dr. Howard R. Tolley, who has held impressive positions in the agricultural policy field.

Dr. Tolley has been Chief of the Bureau of Agricultural Economics, Administrator of the Agricultural Adjustment Administration, and economic adviser to the Food and Agriculture Organization of the United Nations.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD Dr. Tolley's review of the Cochrane book, published in the May issue of the National Union Farmer, under the heading "Where Farm Prices Come From."

There being no objection, the review was ordered to be printed in the RECORD, as follows:

WHERE FARM PRICES COME FROM

(By Howard R. Tolley)

Many of the conclusions and recommendations in Willard Cochrane's interesting and stimulating book point up the need for the



bargaining power farm program of the National Farmers Union—especially the farm market proration and supply adjustment phases aimed at keeping market supplies in balance with demand.

The ups and downs of farm prices and incomes and the effects of the changing farm programs of the past 25 years are analyzed and explained. The theoretical and technical principles and concepts are stated in straightforward language which a large number of people can understand. At the same time, professional economists and other social scientists will find much that is new and stimulating concerning the behavior of farm prices.

Professor Cochrane dispels the free market myths, still accepted by many, that there is some desirable level and pattern of prices, of production and of income for agriculture at which it would stabilize if left alone for a little while. His analysis leads to the conclusion that if all farm programs were stopped, farm prices and incomes would fluctuate widely and in general would be much lower than prices and incomes in other parts of the economy.

From the standpoint of future agricultural policy and programs, the explanation of why wide swings in the level of food prices bring only minor changes in total consumption is probably the most important contribution of the entire book.

#### CONSUMER DEMAND INELASTIC

The author stresses the important fact that the consumer behaves very differently with respect to a change in price of a single food item than he does with respect to all food. For example, if the price of pork chops rises relative to other food items, the consumer will cut back his consumption of pork chops and substitute other items—beef and poultry for example—but the total quantity of all food purchased and consumed changes very little.

Thus the explanation of ups and downs of the level of all food prices cannot be found in an analysis of the changes in prices of single commodities, and the author concentrates his analysis on the "aggregate demand for food"—the quantity of total food that all consumers will take at varying levels of food prices.

Retail prices must fall 10 percent to move 2 percent more food into consumption. Since farmers now receive less than 40 percent of the consumer's food dollar, and marketing charges for handling, storing, transporting and processing are unaffected in the short run by retail price changes, this means that "farm prices must fall in the neighborhood of 25 percent to move 2 percent more food into consumption."

And conversely, a reduction of 2 percent in the overall amount offered in the market would raise farm prices by 25 percent. Further, Dr. Cochrane finds that demand "is becoming progressively more inelastic."

#### FARM PRICES FALL HARD

This has tremendous implications for agriculture. When the supply coming to market increases, farm prices fall so drastically that farmers' total cash receipts are greatly reduced.

Turning to the effect of changes in the farm-price level on the volume of production, Dr. Cochrane says:

"Falling farm prices have not reduced total farm output. The increases in total farm output which have occurred in the past 35 years have resulted from the adoption of cost-reducing production practices, and once adopted those practices have not been abandoned with falling prices. Just as they serve to minimize profits under good prices, they serve to minimize losses under low prices."

#### FARMERS ON TREADMILL

This the author calls the agricultural treadmill. The incentive to reduce costs (on the many small farms across the country) guarantees a rapid and widespread adoption of new technologies.

"Truly the American farmer is on a treadmill. He is running faster and faster in quest of higher incomes growing out of the adoption of new and more productive techniques, but he is not gaining incomewise. He is losing."

With regard to the years ahead, it is the judgment of the author, based on other studies as well as his own, that—unless counteracted in some effective way—the supply of food may well continue to expand more rapidly than demand even if the population continues to grow at the present rate and we have an expanding economy with full, or nearly full, employment.

Whether production will be slowed down depends on the kinds of governmental action taken. If prices and incomes are supported in some way but production controls remain ineffective as in the past, the answer is probably no.

In the final chapter of the book, past and present national agriculture policies and programs are appraised, and suggestions made for the future. Here Dr. Cochrane deliberately and courageously steps out of his role of analytical economist. In an intriguing discussion of the Economist as a Policy Adviser he says: "Economics is not a synonym for policy, or policy for economic."

The principal conclusions are:

1. A return to the free market would precipitate a major price level decline in agriculture. The price cost squeeze would in time slow down expansion and possibly reduce output, and in 5, 10, or 15 years the farm price level would begin to move upward again.

2. Flexible price supports—lower supports when supplies are heavy, and higher supports when supplies decline—will not reduce output and restore farm prices and incomes to satisfactory levels without first letting prices and incomes fall to levels unacceptable to farm people and other groups friendly to agriculture.

3. If agriculture were transformed into many large-scale, highly efficient commercial farms, all employing the best production practices, production would increase markedly and, in a free market, prices would decline drastically.

4. Fixed price supports protect farmers against precipitous declines in income and remove much of the uncertainty concerning year-to-year price changes. But fixed supports at levels which producers consider fair and equitable encourage them to expand production. Without production and marketing controls much more effective than those developed in the past, huge surpluses will accumulate, and society will not continue indefinitely to pay billions of dollars annually for farm price and income supports.

5. Greater consumption of food, especially by low-income undernourished groups, is a worthy social objective. The school-lunch and milk-for-children programs might well be expanded and a food-stamp food-allotment program inaugurated. This would make a modest contribution to the overall demand for food. This alone, however, would by no means solve the price and income problems for commercial agriculture. It can be considered as only a supplement to other approaches.

Mr. HUMPHREY. Mr. President, I want to emphasize three of Dr. Cochrane's conclusions:

First. A return to the free market would precipitate a major price level decline in agriculture.

Second. Lower supports when supplies are heavy and higher supports when supplies decline—the Benson flexible theory—will not reduce output and restore farm prices and incomes to satisfactory levels without first letting prices and incomes fall to levels unacceptable to farm people and other groups friendly to agriculture.

Third. If agriculture were transformed into many large-scale, highly efficient commercial farms, all employing the best production practices, production would increase markedly and, in a free market, prices would decline drastically.

These are significant conclusions of a recognized authority in his field, and should be heeded.

For this is the very direction this bill proposes to take.

Make no mistake about that. The door is being opened on corn and cotton and rice, but the intention behind it is to move next into wheat and tobacco with the same price-depressing changes in our basic law.

Officials of the Department of Agriculture have admitted it.

Mr. President, in an interview with the top farm writer for United Press International a few weeks ago, Assistant Secretary of Agriculture Marvin L. McLain confirmed that if Congress approves this bill, administration officials will next turn their attention to changes for two major commodities left untouched by the measure—wheat and tobacco. I call the attention of my colleagues from wheat- and tobacco-producing areas to Mr. McLain's statements.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a copy of the article written by Bernard Brenner, of United Press International, and carrying a Washington, July 12, dateline.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

(By Bernard Brenner)

WASHINGTON, July 12.—A high-ranking administration farm official said today he was "fairly optimistic" about chances for Senate passage next week of the administration-backed omnibus farm bill.

If the legislation becomes law it could produce lower cotton prices and ward off a potential increase in the price of rice next year. It also could result in reducing corn price supports and dropping Federal attempts to control production of corn.

Assistant Secretary of Agriculture Marvin L. McLain said the big problem is to head off efforts of antiadministration Senators to load the measure with price-raising amendments aimed at reversing administration farm plans. The administration hopes to increase crop sales and farm income by fixing price supports closer to market levels.

McLain added in an interview he believes most farm belt Senators now are interested in getting an acceptable bill through. He said that if Congress approves the bill, administration officials will turn their attention next to two major commodities left untouched by the measure—wheat and tobacco.

The administration will make sure that lawmakers from wheat and tobacco areas "know exactly what's facing them next year," McLain added. "Changes will have to be



made in those programs or we'll be in serious trouble."

He gave no indication what changes would be proposed in the price support production control programs for wheat and tobacco. He pointed out, however, that last January the President asked for authority to reduce price support floors and eventually ease acreage controls on these and other major crops.

Wheat supports under present law range between 75 and 90 percent of parity. Tobacco is pegged at 90 percent as long as marketing quotas remain in effect. For both crops, the administration had asked authority to fix supports between 60 and 90 percent of parity.

McLain said "prospects for passage of the Senate cotton-rice-feed grain bill were brightened by a changed attitude among many farm lawmakers." He said "it's entirely different than anything I've seen in my 5 years here—they finally realize that something must be done."

The legislation would repeal all Federal acreage control on corn beginning in 1959 and drop the farm parity price formula—dating back to New Deal days—as the basis of price support. In place of parity, supports would be based on 90 percent of the average open-market price for the past 3 years.

Cotton and rice would move to the open market support plan after a 2-year transition period. During the 2 years cotton growers would be allowed to choose individually between relatively big planting allotments with low price supports or smaller allotments with higher supports. Rice growers would maintain their present acreage allotments with supports for the 2 years ranging between 75 and 90 percent of parity, at Agriculture Secretary Ezra Taft Benson's discretion.

Without this or other acreage legislation, allotments for all cotton and rice growers would be cut sharply in 1959. This threat has brought many southern lawmakers to reluctant support of the Benson-backed package bill.

Many of the southerners ordinarily would back Senator HUBERT H. HUMPHREY (democrat of Minnesota), and others in scheduled efforts to write in higher supports for feed grains and dairy products. But the threat of a presidential veto, killing the cotton and rice acreage features, was expected to weigh heavily against anti-administration amendments.

McLain indicated the administration would welcome proposed amendments adding extension of a farm surplus disposal act and the wool subsidy price support program to the Senate bill.

The power administration farm planners wield over congressional farm law writers has been demonstrated twice this year. On March 31, President Eisenhower followed Benson's advice and vetoed a measure freezing 1958 price supports at 1957 levels. Several weeks ago, the House refused even to consider an earlier omnibus farm bill which Benson had attacked as an economic monstrosity.

Mr. HUMPHREY. Mr. President, from repeated assertions of Administration spokesmen, there can no longer be much doubt as to the road down which Secretary Benson hopes to lead American agriculture.

Before travelling that road, Congress had better consider carefully all the economic and sociological implications of deliberately encouraging such a major change in our agricultural pattern.

Just in case there is still doubt in the minds of some that powerful forces are at work to shift our agriculture from its historic family farming pattern to an

industrialized type of farm production, I call attention to a recent address in Washington by one of Secretary Benson's former Assistant Secretaries, Earl L. Butz, whose views have often coincided closely with those of administration farm leaders.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article written by Charles Bailey, published in the Minneapolis Sunday Tribune of May 4, reporting on Mr. Butz' Washington address, during which he compared the coming shift in agriculture from a family basis to a big business basis with similar shifts in our industrial economy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### EX-BENSON AID FANS FLAMES OF FARM DEBATE

(By Charles Bailey)

WASHINGTON.—A flat-voiced Hoosier returned here last week and fanned the flames of farm debate with some of the coolest, frankest and most definite words that have been heard here in some time.

Earl L. Butz, former Assistant Secretary of Agriculture under Ezra T. Benson and now dean of agriculture at Purdue University, spent no time arguing for or against farm policy proposals.

Instead, he merely predicted—in the cold, matter-of-fact manner that always marked him as something less than the smoothest congressional relations expert in town—what he thinks is going to happen to farming.

Butz' analysis, delivered to the annual meeting of the United States Chamber of Commerce, covered these major points:

Capital requirements for farming are going up—per farm and per man.

"It is becoming increasingly difficult for an individual during his productive years, to accumulate a sufficient amount to finance an economically sized operating unit," he said. "This will become increasingly true in the decade ahead."

He called it inevitable for business units in agriculture to get bigger and bigger, with ever more capital required.

The trend to larger and fewer commercial farms will continue.

"This is not a new trend. It has only been accelerated in the present decade," he said. "It will accelerate still more. All the power of Government and politics can't stop it. Nor should it."

Butz compared this trend to the shift in the pattern of other businesses from "family entrepreneurial" units to "larger units, with more capital, higher levels of management, more specialization of labor, and, if you choose, with a higher degree of integration."

"Management has become the key factor in successful farm operation."

"For one thing," Butz said, "managerial ability is even harder to inherit than farmland. A generation or two ago it was not difficult for son to apprentice under father, and take over the family farm, provided son had a strong constitution and a propensity for hard physical work. The latter factors are no longer limiting. The limiting factor now is managerial capacity."

Butz sees the possibility that ownership of some family farms will pass into the form of family shares of ownership, with professional farm-management outfits moving in between the owners and the operator of a farm.

Commercial farms will come to look more and more like manufacturing establishments, with farm managers giving more attention to assembling custom-built pack-

ages of technology in the farming operation, with a bigger share of receipts going back into production costs, gross margins shrinking, and profits depending increasingly on growing sales volumes.

Finally, Butz sees our countryside becoming "rurbanized" with a growing percentage of country dwellers depending on nonfarm employment for their living and thus breaking up the all-farm character of rural areas.

"Farmers," he said, "ultimately will lose their vocational identity as members of the community. At this point farming no longer will be a way of life, but will be a way of making a living, just the same as other business enterprises."

"Political leaders will resist the trend toward large, well capitalized units in agriculture," he said, "both in their oratory, in their congressional hearings and in their legislation."

Butz, a frequent target of Democrat attacks during his years here, put no party label on this statement. Instead, he depicted it as a struggle between politics and economics in which economics is bound to win. But the fight, he indicated, will be bitter.

Mr. HUMPHREY. Mr. President, the squeeze-out of family farms is regarded by some as natural and desirable on the grounds that it will lead to the modernization and increased efficiency of agriculture through organization along the lines of large-scale industry.

But the implication that family farming is inefficient is absurd in the face of \$7 billion worth of unconsumed commodities now on hand. Taking the farm economy as a whole, its productivity has outstripped that of the nonfarm economy. Between 1947 and 1955, farm productivity increased more than 48 percent, while nonfarm productivity increased only 29 percent.

Moreover, all available evidence shows that the family farm is the most efficient unit of production. While many manufacturing industries have increased efficiency through large-scale operation, farming does not lend itself to the same mass-production techniques. There is an upper limit to the size of farm operation beyond which it is pointless to go in pursuit of increased efficiency.

The real problem of agriculture is how to turn efficiency gains into income gains. In their competitive, small-business type of economy, family farmers lack the strong bargaining power of large industrial corporations. Thus when the advocate of industrialized agriculture talks of "increased efficiency" all he means is that he has a foolproof way to turn farm efficiency gains into increased profit—usually for himself.

With farm production and marketing dominated by a few corporations, it would be easy to control output and price. Every stride forward in efficiency could then be turned into corporate profits.

Before swallowing the corporate efficiency line we must ask ourselves: "Efficiency for whose benefit?" What effect would the centralized control of production and marketing of food have on the welfare of the city worker, the small-business man, the consumer, on all American citizens?

Effect on city workers: The industrialization of agriculture would bring about



the dispossession of millions of farm families. Some would stay on the land as hired hands, but many would flood labor markets in the cities. Wanting to provide for their families, migrating farmers would have to compete with city workers for available jobs—as is already happening in some cities.

**Effect on small-business men:** Rural small business could not survive without family farming. A Special Committee To Study Problems of American Small Business, created by the 79th Congress, compared a community of small, family-type farms with one of large-scale farms. It found more than twice as many thriving small businesses in the family-farm community and an altogether more satisfying rural way of life.

**Effect on consumers:** We would be more than naive if we expected corporate producers with their new-found power for controlling production and fixing prices to pass the benefits of advancing productivity along to consumers in the form of lower food prices. We have this to go on: Although farm prices dropped 23 percent in the past 5 years, consumer food prices rose 3 percent, powerful "in-between" processing and marketing corporations reaping most of the benefit of low farm prices. With the corporate integration of both marketing and production of food, we could expect bread, meat, and potatoes to fetch premium prices of gold-rush days.

**Effect on the American way of life:** Pocketbook reasons apart, industrialized agriculture would mean the end of true competitive free enterprise so cherished in this country. Our family-farm pattern was started as the economic foundation of our political liberties by early-day colonists who fled the feudal concentration of wealth in the old countries.

Through our homestead laws, and, in this century, through sound farm programs, we have repeatedly reaffirmed our faith in family farming. Are we now prepared to abandon these traditional principles which have fostered individual initiative since our Nation began?

Quite frankly, I have never been ready to concede that sheer bigness in agriculture is necessarily the most efficient way of producing our food and fiber, unless it is bigness subsidized through exploitation of human resources, as a result of low wages.

Perhaps, for the present, big, absentee-owned and absentee-manager corporate farming enterprises can get enough cheap labor to take markets away from family-owned and family-operated farming enterprises.

But, certainly, nothing in the history of our industrialization indicates that, if we turn to such mass farming operations as the general pattern rather than the exception, the farm laboring class will remain permanently satisfied at the bottom of the economic ladder.

If the opportunity is denied farm people to work toward getting and operating a farm for themselves—if the only future they see is remaining as hired farm laborers—we can rest assured that the time will come when they will follow the pattern of workers in other fields

and organize to insist upon economic bargaining power for themselves.

When that day comes, with the problems it could pose in handling the Nation's food supply, the public may well wish it had preserved a system of dispersed family-farm production in the hands of thousands of family farmers instead of permitting it to be concentrated as a big business.

In my opinion, in the long run, family farming is not only more desirable sociologically, not only more desirable from the standpoint of the human values of rural life and rural living, but actually will prove the most efficient method of food and fiber production.

The small-business nature of farming is a strong bulwark of political stability for a democracy, and a real safeguard against inroads of either communism or fascism.

Yet, by its very nature, it leaves the individual farmer without protection of bargaining power in the market place.

By lending the strength of our Government to offset the bargaining weaknesses of agriculture, we can prevent the development of industrialized agriculture which will prove so disastrous to the great majority.

City workers, small-business men, and family farmers have mutual interests. They are one another's best customers. The protection of the economic rights of each of them best serves to advance the economic interests and political liberties of all.

Because of the different economic conditions of each group, techniques for achieving income and prosperity goals understandably differ. Yet each—not simply the farmer alone—has turned to the Government for help in creating a climate in which they can achieve just treatment in our economy.

That is the purpose of our farm programs and our farm legislation.

It is foolish to be debating proposed new farm legislation if we ignore or lose sight of the objectives we are trying to reach.

As I indicated at the outset of these remarks, we are at a stalemate, unfortunately, in developing adequate new programs to serve these objectives properly. Until that situation changes, the least we can do is prevent steps backward; prevent our blindly going off in the wrong direction.

That is my purpose in this discussion, and my purpose in seeking minimum amendments to the pending legislation.

We must keep our eyes on objectives and principles, rather than merely quibble over crossing a T and dotting an I.

With this general background statement of my views, I shall endeavor to cooperate in trying to improve the bill.

I am not in any way seeking to obstruct the enactment of a farm bill, if it does not contain booby traps for the future.

I have prepared amendments which I believe are worthy of careful and thoughtful consideration. They would make the bill more acceptable to the House of Representatives. They would make it more acceptable to farm people.

Yet they were certainly not designed to invite another veto.

In due course I shall discuss these amendments in more detail, as each is called up for consideration.

In the meantime, my only plea to my colleagues is to consider well what they are doing in voting on the bill for they may have to live with their decision for a long, long time.

Mr. President, I am very grateful to my colleagues for their participation in the debate.

I have outlined some of the basic features of the bill, and also some of the amendments which I believe to be desirable; and we have indeed had a very splendid debate.

Mr. President, I yield the floor.

Mr. THURMOND. Mr. President, it has been a matter of serious concern to me that Congress has reached this advanced point in the session without the enactment of a general farm bill. The time for adjournment is almost upon us, and legislation is urgently needed to insure that the position of the farmer—already poor—will not rapidly get worse.

I recognize the difficulties in drawing up such legislation. The problems of the farmer are complex. They are not the same problems in all sections of the country. It is always a difficult task to write sound, long-range farm legislation which will meet with general approval in Congress.

I recognize, too, that many Members of Congress have kept the farm problem in the forefront of their thinking and have been working diligently to bring suitable farm legislation to the floor. As a temporary measure, Congress passed a joint resolution in March, calling for a stay of any reduction in support prices or acreage allotments. The purpose of the resolution was to maintain the farmer's standard of living while work proceeded on measures of a more permanent nature. I was both alarmed and disappointed when the President vetoed that salutary resolution.

During the 5 years from 1952 to 1957, the deterioration of the farm position can be documented by the following facts, among others:

First. During the 5-year period, farm prices declined 16 percent.

Second. Realized net farm income declined 19 percent.

Third. The purchasing power of farm income declined 23 percent.

Fourth. Farm population declined 12 percent from 24,283,000 in 1952 to 20,396,000 in 1957.

Fifth. In 1957, the returns to all farm workers for their labor and management reached a low of 69 cents per hour, while the average wage of industrial workers reached a high of \$2.07 per hour.

I am glad that American industrial workers are sharing as they are in the fruits of production. I hope that they will continue to maintain their high standard of living. The farmer, like the industrial worker, has been increasing his productivity, but, unlike the industrial worker, the farmer's increased productivity has not been rewarded. It is time that we take constructive steps to



bring the income of the farmer more in line with his productivity, and more nearly on a par with the income of the industrial worker.

With the conditions which I have mentioned handicapping the farmer, it is small wonder that 12 percent of the Americans who lived on farms in 1952 had moved off the farms by 1957.

There are those who say that this is as it should be—that overproduction on the farm should be eliminated by abandoning the farms, and that we should tell the farmer who fails to support himself on the farm to go out and find himself a job in industry. This oversimplified solution is heartless, unrealistic under present conditions, and, in the long run, it is unsound.

It is heartless because it is shabby treatment for the people who love the land and labor on it, and who deserve a fair reward for their toil. It is unrealistic because it would throw on the industrial labor market men who are untrained and inexperienced in factory work to compete for jobs with the skilled workers. It is an unsound policy to abandon the farms because, in the long run, a strong agricultural economy is essential to the well-being of the whole Nation.

Our Nation's farmers will be called upon, in years to come, to produce the food, the cotton, and the wool to feed and clothe our expanding population. In the event of war, we will call upon our farmers—as we have called upon them in past emergencies—to expand their production quickly. The Nation's farms are as much a part of our war mobilization base as our steel mills.

I am particularly concerned about the plight of the small farmer. He has been described too often, in recent years, as a marginal farmer, because he is not as productive as the large-scale mechanized farmer. In times of depression on the farms, the small farmer is the first to be affected and the last to recover.

Nevertheless, the small farmer is needed and deserves a better fate than to be forced off his land. It has been estimated that agriculture serves as a basis for 35 to 40 percent of the jobs of all workers in this country, even though only 12 percent of the people make their living directly from the farm. It is important to the total economy that the purchasing power represented by the farm population be maintained in the small-farm States as well as in the large-farm States. It is important that the elements of our agricultural economy be well distributed, so that the effect on production of a severe drought in one region of the country may be offset by a good crop year in another region.

The Nation's farmers do not share in the direct benefits of many Federal programs in the field of public welfare. Neither are they the recipients of the various fringe benefits—paid vacations, overtime pay, health insurance, pensions, and the like—which many industrial workers now receive as a matter of course.

Our farmers have not asked for a welfare program. They have asked only for a chance to stay in business and

keep their homes, to maintain that portion of God's land which is in their trust, and to have the opportunity to earn a decent living.

I do not intend to tell the Senate today that I believe that S. 4081 is a perfect farm bill or that it will solve all of our agricultural problems. I do believe, however, that it is the best general farm bill that can be passed, under the circumstances, at this session of Congress. The Senate Agriculture Committee has worked diligently to bring this bill out, and the committee should be commended for its efforts.

The bill does not do everything that it should do for the farm economy, but it is a good program of minimum agricultural assistance.

I am glad to support the bill in its present form.

**Mr. FULBRIGHT.** Mr. President, for some years now I have become more and more concerned by the problems confronting our farmers. Arkansas is predominantly an agricultural State, and we are vitally affected by the fortunes of agriculture. The problem, however, is a national one and goes far beyond the boundaries of any one State.

Many times during recent months, Senators on both sides of the aisle have pointed to the dangerous decline in farm income. Many statistics pointing up the critical problem are familiar to all of us, but I should like to mention several significant ones:

First. During the 5 years from January 1953 to January 1958, farmers' net income declined 24 percent. Last year, farm income fell from \$12.1 billion to \$11.5 billion, which is the lowest total since 1942.

Second. In the last 5 years, the farm population has declined by more than 2 million.

Third. Farm debt has been rising, and in the 5-year period, increased by \$3.2 billion. The farm foreclosure rate has doubled.

The policies of Secretary Benson have been in a sense miraculous. At the same time, the American farmer was steadily sinking into the mire of a depression, the food price index increased from 112.8 points to 118.2, and food chains and food processors enjoyed great prosperity. To mention only a few, Borden profits rose 33.8 percent; National Dairy Products, 50.1 percent; Wilson & Co., 111 percent; Quaker Oats, 69.9 percent; Safeway Stores, 246.5 percent; and General Mills, 28.1 percent. These figures, Mr. President, tell the story in a nutshell. They are more eloquent as to the trouble in agriculture than anything I can say.

Cotton is the principal agriculture product of Arkansas, and I am, therefore, especially concerned with this segment of the entire agricultural economy. Most Members of this body realize, I am sure, that the cotton industry is a vital part of the overall national economy. Eight hundred sixty-four thousand farms are directly engaged in cotton farming, and the value of cotton produced on American farms during 1957 was \$1,854,000,000. Cotton is the foundation of a vast industrial complex, in-

volving oil and textile mills, ginneries, farm machinery manufacturers, small distributors, chemical and fertilizer industries, and myriad employees.

I doubt, however, that it is generally realized that cotton farmers have faced year after year drastic reductions in their acreage allotments and in market prices for the product of their labor. For instance, in 1951, without production controls, farmers planted 28,195,000 acres. In 1955, only 18,113,000 acres were allotted; and in 1957 and 1958, allotments were frozen at about 17½ million acres. A decrease of one-third in 6 years. Since 1952, price supports for cotton have been reduced 12 percent, and price supports for cottonseed have been lowered 33 percent.

Not only has the cotton economy declined, but virtually every other segment of agriculture has been similarly affected. Farm prices have on the average fallen 24 percent since 1952, and the farmers' share of the national income has decreased by 20 percent. Last year, the Chairman of the Federal Reserve Board stated frankly that the farmer paid for the stability which was maintained in our economy during the so-called Eisenhower prosperity. I quote Mr. Martin's statement:

Now the great shame to me and the thing that worried me most, starting in 1955, was that we, the United States, kept stability in the dollar from 1953 on to the early part of 1956 by declining farm prices, which was being offset in the picture by a rise in manufactured prices. In other words, the stability was not a balanced stability, it was farm income going down and manufactured products going up, the net result being stability.

Mr. President, I would like to review briefly the provisions of S. 4071 relating to cotton. The bill reported by the committee offers a choice to cotton farmers. The plan recommended by the committee allows the farmer in 1959-60 to choose between, first, the acreage allotment and support price determined under existing law, and, second, a 40-percent increase in his cotton acreage with a 15-percent reduction in the support price. The additional acreage allowed under the second choice would not be used in establishing history for determining future acreage allotments. This provision permits the farmer to choose the plan which would be most advantageous to his own peculiar type of farming.

The optional program mentioned is available for 1959-60. Beginning with the 1961 crop, cotton will be supported at 90 percent of the average market price during the last 3 years. The bill stipulates that the support price cannot be less than 30 cents per pound for middling 1-inch cotton.

The marketing-quota and acreage-allotment sections of the bill have caused me much concern, and I have cosponsored an amendment introduced by Senator STENNIS to ease the effects of these provisions on Arkansas. I will discuss these sections in more detail in a moment. The bill provides for a minimum marketing quota for 1958-59 sufficient to provide a national acreage allotment of 16 million



acres. This compares with the allotment of approximately 17,500,000 acres for the current crop year. The national acreage allotment proposed would be allotted among the States in the same proportion that they shared in the 1958 allotment. For 1961 and subsequent years the national marketing quota would be set to provide a normal supply of cotton for domestic consumption and exports but in no case would the quota be less than that required to provide a national allotment of 16 million acres.

The above provisions would be modified to the extent that each State will receive a minimum acreage allotment of 4,000 acres or the highest acreage planted to cotton in any one of the preceding calendar years. Minimum-farm-allotment provisions are also included in the bill. A minimum allotment of 10 acres or the 1958 allotment, whichever is smaller, is included in the bill. This contrasts with the present law which provides for a minimum of the smaller of either 4 acres or the highest acreage planted in any 3 preceding years. A national reserve of 310,000 acres is established to provide these minimum acreage allotments.

I mentioned a moment ago that I am deeply interested in the Stennis amendment. Under the present provisions of the bill, as reported by the committee, the national acreage allotment for each year is to be apportioned among the States on the basis of the same proportion which each State shared in the national acreage allotment in 1958. This, in effect, prevents present provisions of law related to adjustments for trends from becoming operative. As a result, Arkansas would be allocated 34,285 less acres in 1959; 43,749 less acres in 1960; and 26,266 acres less in 1961, than would be the case under the formula set forth in the present law. The Stennis amendment is, I believe, equitable and should be adopted.

Mr. President, the farm problem is acute and I feel that it is of vital importance to enact farm legislation prior to the adjournment of this Congress. I realize that there is disagreement as to what our long-term farm program should be and that even the great farm organizations have been unable to come to a meeting of minds on the proper course to pursue. With this in mind, Congress early this year approved Senate Joint Resolution 162 which would have frozen price supports and acreage allotments on the basic commodities for 1 year. At least, we hoped to prevent further reductions in price supports and further decreases in acreage allotments.

The reduction in acreage of cotton alone is likely to be 3 million acres—17½ million to 14½ million—if no farm bill is enacted into law. Yet, despite the fact that Senate Joint Resolution 162 was only a stopgap measure, it was vetoed by President Eisenhower on March 31.

Now it is perfectly clear that Senate Bill 4071 is our last chance for farm legislation this year. The Committee on Agriculture deserves great credit for the time and effort which its members have devoted to the seemingly endless pur-

suit of a solution to the farm problem. The chairman and members of this key committee will admit, I am sure, that Senate Bill 4071 is not a panacea, but it does contain many important provisions which will benefit the farm economy.

Mr. President, I pay tribute especially to the chairman of the committee, the distinguished Senator from Louisiana [Mr. ELLENDER], who is one of the staunchest friends of agriculture in the Senate, and to the other members of the committee who gave so much of their time and effort to the development of the bill.

I believe, that insofar as cotton is concerned, S. 4071 is a step in the right direction. If cotton is to survive and prosper in the long run, there are several objectives which must be met. The main objectives are, I believe:

First. To regain and keep an equitable share of the expanding textile market at home and abroad, the price of cotton must be competitive with synthetics and foreign growths.

Second. The income of cotton producers must be protected during the transitory period of expanding production and until such time that lower production costs are attained.

Third. Provisions should be made for the protection of farmers who through location or size of operation are faced with higher production costs, and at the same time to provide an opportunity for the more efficient farmers to make a concession in price in return for additional allotted acres.

Fourth. Expand research for new and better uses of cotton.

Fifth. Provision for orderly marketing through normal trade channels.

The pending measure, which I strongly support, does not achieve all of these objectives, but its enactment will give countless farmers throughout the land an opportunity to begin the long hard struggle back to a level of moderate prosperity.

Mr. SYMINGTON. First, Mr. President, I wish to congratulate the distinguished Senator from Minnesota [Mr. HUMPHREY] for his excellent address in regard to the farm problems of the country and their relationship to the pending bill.

Mr. President, the farm bill now before the Senate provides for substantial and far-reaching changes from the past and present course of farm legislation.

In many respects, the pending bill is a repudiation of the farm policies and programs we have known since the early 1920's.

The provisions of the bill will have serious effects, not only upon the approximately 20 million people living on farms, but also upon other millions in industries related to agriculture, and also upon citizens in their capacity as consumers and taxpayers.

The effects of this bill would be felt particularly in States such as Missouri, where one-fourth of the population lives and works on the farms, and where agriculture is a billion-dollar industry.

This farm bill is not just another minor modification of the basic farm

legislation. It is a radical departure from the concepts and principles which have been developed as the foundation of the Government's farm policy for over 30 years.

The bill would guarantee a sharp reduction in total farm income, despite the fact that farm income already is down 20 percent since 1952.

The bill would result in stimulating production to new record levels. Based on the experience of the past 5 years, that would result in additional cost to the Government.

From 1952 to 1957, farm prices declined 16 percent; but total farm production increased 6 percent.

Despite reduced prices, production has increased during this 5-year period; and, as a result, the Department of Agriculture expenditures have doubled—from \$2.5 billion, in the fiscal year 1954, to an estimated \$4.9 billion in the fiscal year 1958.

Only recently we have seen reports that even greater production this year will increase the costs of the Department of Agriculture to an estimated \$6 billion for the fiscal year 1959.

The bill abandons the most basic principle upon which farm legislation has been founded for over one-quarter of a century—namely, the parity concept.

A dollar wage, or dollar price, or dollar salary, or dollar income, has little meaning except in terms of what that specific amount will buy—in other words, its purchasing power.

Recognizing this fact, Congress has, by means of the use of the parity formula, consistently tied farm legislation to a measure of the purchasing power.

If the Senate were to pass the pending farm bill as is, the Senate would, in effect, be abandoning the concept that farm families are entitled to an income and a standard of living approximately equal to those of other Americans.

Even with acceptance of the parity principle, our farm programs have been less than successful in the attempts to attain true parity for the farmer with other Americans who work in other segments of the economy.

In recent years, under the policies of the present administration, the position of the farmer has very much worsened.

Fortunately, the parity concept has limited the steady efforts to drive down farm prices and farm income.

But now the Senate is considering the abandonment of that very concept—the parity concept.

Mr. President, in effect, the bill would announce to the 20 million American farmers who have survived the past 5 years that no longer are they entitled to an opportunity for reasonable economic equality with other Americans.

It is apparent that the Government is no longer concerned with 100-percent parity for the farmers and their families—or even 90 percent, or even 75 percent.

Instead, they are to have support at 10 percent less than what they have been getting in the market place.



In 1957, family farm purchasing power fell to the lowest point in 17 years—the lowest since 1940.

Since 1952, farm purchasing power has dropped 24 percent.

This tragic loss of purchasing power spread from the farms to the towns, and finally to the cities, and contributed to the current depressed economic conditions throughout the country.

In recent months, there has been some improvement in farm prices and income. But these are insignificant, when compared to the income losses suffered by farm families since 1952.

During those 5 years, farm income continually declined and the accumulated loss to farmers has been \$14.4 billion—or a loss of almost \$3,000 for every farm in the United States.

The pending bill would add to that loss; it would result in lower farm income. The bill would result in less farm purchasing power. But even worse, the bill would abandon the very concept of purchasing power—the parity formula.

In 1941, one of the truly great farm leaders, President Ed O'Neal, of the American Farm Bureau Federation, stated before a congressional committee:

The Congress of the United States has again and again declared as its policy that the prices and income of farmers should be restored and maintained on a basis of parity with industrial wages and industrial prices. \* \* \* We interpret this action by Congress as a determination on its part to redeem its pledge to American agriculture, and to carry out the parity policy, which it has so often declared. We wish to commend, in the highest terms, this action by Congress \* \* \*. The American Farm Bureau Federation takes the position that we must have a program which will assure full parity, not only to the five basic crops, but to all American agriculture.

That statement by Mr. O'Neal is indicative of the type of thinking which has prevailed for many years, but which the pending bill now proposes to abandon.

Mr. HUMPHREY. Mr. President, at this point will the Senator from Missouri yield to me?

Mr. SYMINGTON. I am glad to yield to my able friend, the Senator from Minnesota.

Mr. HUMPHREY. I understand that the Senator from Missouri has just concluded reading from a statement by the late, beloved, and illustrious Ed O'Neal. Is that correct?

Mr. SYMINGTON. Yes—the former president of the American Farm Bureau Federation.

Mr. HUMPHREY. Yes; and it is one of the great American farm organizations.

Is it not fair to say that Ed O'Neal was possibly of more importance and greater effect in connection with the effectuation of a proper farm policy and program than any other American of his time?

Mr. SYMINGTON. That is correct.

Mr. HUMPHREY. And that program was based on the parity concept, was it not?

Mr. SYMINGTON. That is correct; the Senator from Minnesota has put his

finger on the principal reason why I read that statement by Mr. O'Neal.

Mr. HUMPHREY. Is it not ironical that today, in 1958, that great landmark of legislative achievement—namely, the parity concept, as embodied in the legislative provisions contained in the acts of 1933 and 1938, and then endorsed by the American Farm Bureau Federation, is now repudiated?

Mr. SYMINGTON. The bill now before the Senate would abandon parity.

Mr. HUMPHREY. Is it not even more ironical that the American Farm Bureau Federation today should be lending itself to the effort to repudiate the parity concept? Certainly, I am very unhappy about it. I am sure the county farm bureaus in Minnesota do not agree that the parity concept should be abandoned or repudiated. I go to many of their meetings, many of their community picnics, and many of their other gatherings; and I find that the members of all our farm organizations, regardless of the different approaches which they may make to that objective, nevertheless agree on the objective; they agree that the objective of any agricultural bill must be the attainment of parity income and parity prices; and they want them provided in the law—really provided in the law, not just placed in the atmosphere. They want it in the law, Senator. They do not want it just in the atmosphere.

Mr. SYMINGTON. Let me say to my distinguished friend, that when I was in business the trade associations that I was familiar with worked steadily for the members of their organization. It has been my experience that banking associations, State and national, are consistently working to better the position of banks. Based on my knowledge of trade unions, they are interested in bettering the working conditions, hours of work, and wages of those who are members of their organizations.

As I have studied the basic problems of agriculture, what has surprised me more than almost anything has been the fact that many persons in the field of agriculture apparently do not work for the welfare of the family-sized farmer in America.

I believe legislation should be based on the idea that farm families are entitled to a reasonable amount of the same support from their Government that is given other segments of our economy.

One of the reasons behind the consistent efforts to break down and destroy our farm programs concerns the cost of those programs. It is hard for me to understand the strong attacks on subsidies for agriculture at the same time nearly all other segments of our economy receive heavy supports from their Government.

A House Agriculture Committee print entitled "Government Subsidies—Historical Review," revised June 25 of this year, points out that:

CCC farm-price support losses from 1933 to January 1, 1958, have cost the taxpayers less than subsidies to business through postal deficits alone during the 10-year period 1946-56. Moreover, the losses connected

with price supports for farmers have amounted to only a fraction of the cost of business reconversion payments, including tax amortization, and other financial aids to industry during the past few years.

I ask unanimous consent that a table setting forth Federal expenditures for business aids and special services from the aforementioned publication be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

|                                                                     |                 |
|---------------------------------------------------------------------|-----------------|
| Mail subsidies (10-year period, 1946-56)-----                       | \$5,968,000,000 |
| Business reconversion payments (including tax amortization)-----    | 43,262,000,000  |
| Subsidies to maritime organizations (1938 through fiscal 1957)----- | 3,500,000,000   |
| Subsidies to airlines (1938 through fiscal 1957)-----               | 614,000,000     |

Mr. SYMINGTON. Mr. President, some of the same groups being so heavily supported by their Government, as indicated by this table, are the ones which lead the attack on our farm programs.

I believe that farm families are entitled to a reasonable amount of the same support from their Government that is given other segments of the economy.

The provisions of S. 4071, which cast aside the parity concept, would apply immediately—in 1959—in the case of corn and the feed grains, and, beginning 2 years later, on cotton and rice.

I shall have a little to say about tobacco and wheat in a moment.

Could this be part of a "master plan" to cut off one commodity at a time from parity, and thereby make it more palatable to those interested in other commodities not forced to bear the immediate effect of this drastic action?

Mr. President, those people interested in wheat and tobacco should be interested in an article printed in the *Champaign (Ill.) News-Gazette* of July 13, 1958, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OPTIMISTIC ON CHANCES FOR SENATE BILL—  
LEGISLATION WOULD END ALLOTMENT OF  
ACREAGE, CUT SUPPORT PRICES

(By Bernard Brenner)

WASHINGTON—A high ranking administration farm official said Saturday he was "fairly optimistic" about chances for Senate passage next week of the administration-backed omnibus farm bill.

If the legislation becomes law it could produce lower cotton prices and ward off a potential increase in the price of rice next year. It also could result in reducing corn price supports and dropping Federal attempts to control production of corn.

The legislation would repeal all Federal acreage controls on corn beginning in 1959 and drop the farm parity price formula dating back to New Deal days—as the basis of price support. In place of parity, supports would be based on 90 percent of the average open-market price for the past 3 years.

Assistant Secretary of Agriculture Marvin L. McLain said the "big problem" is to head off efforts of antiadministration Senators to "load" the measure with price-raising amendments aimed at reversing administra-



tion farm plans. The administration hopes to increase crop sales and farm income by fixing price supports closer to market levels.

McLain added in an interview that he believes most Farm Belt Senators now are "interested in getting an acceptable bill through." He said that if Congress approves the bill, administration officials will turn their attention next to two major commodities left untouched by the measure—wheat and tobacco.

The administration will make sure that lawmakers from wheat and tobacco areas "know exactly what's facing them next year," McLain added. "Changes will have to be made in those programs or we'll be in serious trouble."

He gave no indication what changes would be proposed in the price support-production control programs for wheat and tobacco. He pointed out, however, that last January the President asked for authority to reduce price support floors and eventually ease acreage controls on these and other major crops.

Wheat supports under present law range between 75 and 90 percent of parity. Tobacco is pegged at 90 percent as long as marketing quotas remain in effect. For both crops, the administration had asked authority to fix supports between 60 and 90 percent of parity.

McLain said prospects for passage of the Senate cotton-rice-feed grain bill were brightened by a "changed attitude" among farm lawmakers. He said its "entirely different than anything I've seen in my 5 years here—they finally realize that something must be done."

Mr. SYMINGTON. Mr. President, reporting on an interview with Assistant Secretary Marvin McLain regarding the chances for approval of S. 4071, the article states:

He said that if Congress approves the bill, administration officials will turn their attention next to the two major commodities left untouched by the measure—wheat and tobacco.

This would seem to destroy whatever notion some people might have that tobacco and wheat are not included in the overall efforts to destroy the farm program.

Mr. President, during consideration of this farm bill in the Senate Agriculture and Forestry Committee, some Senators justified the abandonment of the parity concept on the grounds that a price floor would nullify the effect of this action. But even before the bill came up on the Senate floor, efforts were being made to remove or to lower these minimum price support levels.

In a press conference on July 15, in discussing the 30-cent per pound floor on cotton, Secretary of Agriculture Benson stated:

We would like to see this amendment to set the minimum at 28 cents per pound, not more than 28 cents.

Turning to rice, Mr. Benson stated:

We have a similar situation in rice in the bill. It provides for minimum support of \$4 per hundred, which is about 66½ percent of parity. This is about 10 percent above the minimum which we suggested of \$3.60 or 60 percent of parity. We think the \$3.60 level should prevail in the best interest of the rice growers and the rice industry.

While Mr. Benson did not suggest a lower floor in the case of corn, he indicated his opposition, stating:

However, we think, generally speaking, that minimums in dollars and cents may get

us into some difficulty when we move from the basis of the average of the last 3 years, 90 percent of the average for the last 3 years.

The Champaign, Ill., News-Gazette article states:

McLain said prospects for passage of the Senate cotton-rice-feed grain bill were brightened by a changed attitude among farm lawmakers.

Mr. President, let me assure Mr. McLain and others that my attitude on the farm situation remains unchanged.

I believe that farm families have an equal right with other Americans to assistance from their Government in obtaining a reasonable share of our national income.

I shall stand by that belief, not only during consideration of this farm bill, S. 4071, but until the farm families of our country secure reasonable economic equality.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to my friend from Minnesota.

Mr. HUMPHREY. Before the Senator from Missouri takes his seat, I want to commend him on his very forceful remarks. The Senator from Missouri has been a stalwart champion on behalf of American agriculture in the deliberations of the Committee on Agriculture and Forestry. He has never wavered in his support of the family farm. He has taken a broad national view on agricultural policy. The Senator from Missouri knows that earlier today I indicated there was a difficult road ahead for this proposed legislation, even if it passed the Senate. I pointed out that certain leaders in the House had expressed great doubts about the bill.

I now note that in a press release for today, which was distributed by the Public Relations Committee of the North Carolina Cotton Promotion Association, there is an indication of some change in the sentiment of the other body.

I say, first of all, I am sure every Senator has been called many times by people who are concerned about the pending bill. I have had lots of letters from chambers of commerce and from people who are in the cotton-industry field. I respect those contacts. I respect that interest.

The chairman of the House committee I understand has now indicated the House may take action upon a bill along the lines of the Senate bill, except that the House bill, I think it should be noted, according to the release, will have within it the parity principle and will not have the formula the Senate bill has, which emasculates that parity principle.

If the Senator will permit, I shall read excerpts from this release:

It was agreed, both by Mr. COOLEY and the farm and cotton leaders of North Carolina, that in the House this bill would be strengthened by reestablishment of the principle of parity. Mr. COOLEY took action immediately in this direction with his committee members.

I quote, further on:

Abandonment of the parity principle in 1961 in the present Senate bill, by basing support price for cotton on a formula related to the 3-year average market price—rather

than parity, has been the major criticism of the Senate bill.

That is the very point which the Senator from Missouri has emphasized tonight. I am hoping that the Senator from Missouri or some other Senator will offer an amendment to the section of the bill which deals with cotton. Since the Senator comes from a State which produces a vast amount of cotton, and since cotton is an important crop to his State, I hope he will offer an amendment to restore the parity principle to the bill.

Mr. SYMINGTON. We might as well face up to what is going on. It is becoming very clear. We are considering a bill to destroy parity.

Mr. HUMPHREY. Of course.

Mr. SYMINGTON. The distinguished junior Senator from New Mexico [Mr. ANDERSON] knows a great deal about the farm picture. Few if any know more. The Senator has been the Secretary of Agriculture. I understand he is considering an amendment to send the bill back to the committee and to freeze cotton and rice acreage. Such an amendment would handle the most serious problem facing cotton and rice farmers.

Speaking for the cotton farmers in my own State, I have become increasingly worried about the approach of S. 4071. It is much like taking a narcotic when one is in pain. There may be a few more cotton acres in the year 1959, but when parity is taken off cotton entirely, except on the basis of a dollar floor, what will happen? Will not the pain be greater after the narcotic wears off, especially for the small farmer? Of course that situation would even be worse with respect to corn, because it would apply to corn in 1959.

The more I learn about this bill the more I believe that it is designed to destroy what has been built up for the American farmer since the early 1930's that is the concept of parity.

Mr. HUMPHREY. I should like to make a final observation, if the Senator will permit. Is the Senator from Missouri familiar with an article which was published in this evening's issue of the Washington Star entitled "Benson Claims Leftists Block Farm Measure"?

Mr. SYMINGTON. No; I am not. I have not seen it.

Mr. HUMPHREY. Those of us who are debating this measure are classified as leftists. The article reads:

Secretary of Agriculture Benson charged today that unnamed leftwing elements within the Democratic Party are trying to prevent the passage of farm legislation this year by attaching unsatisfactory amendments.

Later on the Secretary goes further and says:

"The truth of the matter," declared Secretary Benson, "is that the leftwing elements do not want any farm bill this year."

He asserted these elements were being subjected to influences of the Farmers Union.

Let me give the Secretary of Agriculture some news. I want to let him in on something. The Farmers Union of Minnesota is an important farm organization, the largest farm organization in terms of family farms, and it is not left-



ist. It is not rightist. It is Minnesota, and its members are good American citizens. I am getting sick and tired of having the Secretary of Agriculture get that red brush out and splash it around. If the Secretary of Agriculture wants to go around looking like an Indian on the warpath, that is his business, but he should not go around splashing me with ink and paint and feathers. I am sick of it.

Mr. SYMINGTON. Mr. President, one of the finest farmers in my State is Fred Heinkel. He is the president of the Missouri Farmers Association, the largest farm organization we have. Just a few days ago Mr. Heinkel said: "The more I study the bill, based on my knowledge of what the Department of Agriculture is attempting to do to the American farmer, the more I am against it."

Mr. President, I certainly hope Secretary Benson was not referring to people who have an honest difference of opinion as to the merits of S. 4071.

It is unfortunate that the Secretary of Agriculture has to classify people who disagree with him as leftist and imply that their motives are any less patriotic than his own.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. SYMINGTON. I have noticed that certain commodities seem to be well taken care of, while at the same time the Secretary of Agriculture has been driving down the prices and income in my State and the State of the distinguished Senator from Minnesota.

Mr. HUMPHREY. Will the Senator yield for one final observation?

Mr. SYMINGTON. I am glad to yield.

Mr. HUMPHREY. If one is to speak about leftists, of course, left of center as to agricultural policy, I suppose, would be someone who would favor any policy which tends to collectivize agriculture, to make it big business, whether it be state capitalism or private capitalism. Big business agriculture would fit the pattern of the Marxist, Communist development in agricultural policy. I will just let the record stand, if we are going to start having a name-calling contest, as to which policies have contributed to the collectivization of agriculture and the corporate system of agriculture. There has been more abandonment of family farms in recent years than for many years. There has been more and more concentration of agricultural production in fewer and fewer hands. There is only one country which has had more rapid progress in the concentration of agricultural production in fewer hands than the United States of America in recent years. Since the Soviet Union had already collectivized, the one country is China, under the Communists.

I do not accuse anyone of having a premeditated plan to collectivize American agriculture; but before the Secretary starts to get out his paintbrush and splash around, hit and miss, with no target except anyone he can hit, I suggest that he examine his own policies. His own policies have not contributed to what I call the private entrepreneur. They have not contributed to individual

private enterprise. They have not contributed to the family farm. They have contributed to industrialization, big business, and corporate structure in American agriculture. It is up to him to demonstrate to the contrary, because the statistical facts from his own Department prove that I am correct.

Mr. SYMINGTON. Mr. President, the article entitled "Benson Claims Leftists Block Farm Measure," written by J. V. Horner and published in the Washington Evening Star of July 24, 1958, has been made a part of the RECORD.

Part of the article reads in part as follows:

"The truth of the matter," declared Secretary Benson, "is that the leftwing elements do not want any farm bill this year."

He asserted these elements were being subjected to influences of the Farmers Union.

Mr. President, the Farmers Union is not an important organization in my State.

Nevertheless I think it is unfortunate for a member of the President's Cabinet to attack one of the country's leading farm organizations.

I do not believe such action is in accordance with our principles and our traditions.

PERSONAL STATEMENT BY SENATOR CASE OF  
SOUTH DAKOTA

Mr. CASE of South Dakota. Mr. President, I shall take only a moment or two to state why I shall not be present to vote when the wool amendment comes up in connection with the farm bill.

The Senator from South Dakota, along with the Senator from Oklahoma [Mr. MONRONEY], the Senator from West Virginia [Mr. HOBLITZELL], and the Senator from Delaware [Mr. FREAR] are designated to attend the meetings of the Interparliamentary Union at Rio de Janeiro. I must board a plane in about an hour.

I am confident that the so-called wool amendment will be adopted, because it is necessary for the wool industry to know now what its operating plan will be for next year. I have not heard of any opposition to the amendment, and I assume that it will be adopted. My vote would be for extension of the Wool Act.

On final passage of the bill, I would vote "yea," because I think some farm bill is needed at this session. I am assuming that no destructive amendment will be adopted.

Personally, I favor a trial of the corn plan proposed in the bill, recognizing that the present corn plan has not been too effective. There has been no true reduction in production, at least in my State. I am in favor of the elimination of the distinction between commercial and noncommercial corn counties. I think that is well justified, because corn is corn, whether it is grown on one side of the county line or the other.

In conclusion, let me say that I hope the bill will pass. I would vote "yea" on final passage.

Mr. MONRONEY. Mr. President, in connection with the subject matter to which the Senator from South Dakota is addressing himself, I wish to express my gratitude to him for attending the In-

terparliamentary Union. I hope I may be able to obtain a reservation on a later plane.

I have received word from Rio that in connection with the meetings of the Interparliamentary Union, which embraces some 60 nations of the world, both free and Iron Curtain countries, the Russian delegation of 41, including staff members and interpreters, arrived in an 80-passenger jet plane, and members of the delegation have carried the propaganda and the publicity of the Soviet Union to this convention. They are loaded with resolutions condemning the policy of the United States in the Middle East.

Our delegation and our diplomatic representation in Rio are asking that all members who have been named, appointed, and authorized to represent the Senate get to the conference as soon as possible.

The distinguished majority and minority leaders have agreed that one Democrat may leave for each Republican. Therefore during the week the delegates will be gone, to some degree absences on one side of the aisle will be offset by absences on the other.

Let me say to my distinguished colleague that I expect to leave very shortly, on the earliest plane on which I can obtain reservations.

Mr. CASE of South Dakota. Mr. President, personally I am very glad to hear that the distinguished Senator from Oklahoma is planning to go to Rio as a member of our delegation. We have our work cut out for us. I hope we may be able to make some contribution to the result which we all desire to achieve.

Mr. MANSFIELD. Mr. President, as acting majority leader, I wish to state that the Senators from Oklahoma and South Dakota are making a sacrifice to attend the conference at the specific and urgent request of the administration and the Senate leadership. We know that it is their personal wish and desire to remain here, because important legislation is under consideration, but the leadership feels that the interests of the country as a whole take priority over any particular legislation. They are needed at their post of assignment for very important national reasons. We wish them luck and know they will represent our country with honor and distinction.

Mr. DOUGLAS. Mr. President, the Senator from Missouri [Mr. SYMINGTON] was compelled to leave the Chamber. I wish to congratulate him for the work he has done in committee, and for the statement he has just made in connection with the attack by the Secretary of Agriculture upon Members of the Senate who are trying to amend his bill and make it a better bill.

Let me say that long ago I became very distrustful of men who went about with a Bible in one hand and a tar brush in the other.

I also have become distrustful of men who begin each meeting with a prayer and end the meeting with a smear. I think the Secretary of Agriculture should review his statements in the light of his professed Christian principles.



Second, let me say that possibly the Secretary of Agriculture is confused as between "left" and "right." These are designations which are modeled upon the arrangement in European parliaments, which have semicircular halls such as ours. I visited the French National Assembly a number of times. Both in the French National Assembly and in the other semi-circular halls, the left is designated as that section to the left of the speaker or presiding officer as he faces the body. So in this hall the Republican Party would be on the left and the Democratic Party on the right. The Democratic Party is generally in the right.

The Republican Party usually gets left. So possibly Secretary Benson may have been denouncing his own party members. If that be so, I wish to defend members of the Republican Party. I do not believe they are leftists. I do not believe that they should be smeared in this fashion, any more than Democrats should be smeared.

### THE SITUATION IN THE MIDDLE EAST

Mr. MORSE. Mr. President, before I make a brief speech on the pending amendment, I ask unanimous consent to have printed in the RECORD as a part of my remarks a letter which I have received from an American Fulbright student, signed "Fulbright Student to France."

The student has traveled extensively in the Middle East, and writes a letter exceedingly critical of American policy in the Middle East. The student sets forth some points of view so well that I believe the letter should be made a part of the RECORD, without disclosing the name of the student.

I ask unanimous consent that it may be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 18, 1958.

Senator WAYNE MORSE,  
United States Senate,  
Washington, D. C., U. S. A.

DEAR SENATOR MORSE: The Iraqi rebellion will no doubt reap a harvest of misinterpretations back home. Its only surprise for me—a recent visitor to the country—was that our Intelligence couldn't see a violent eruption in store from a people that had overlong contained and repressed its political grievances. If an inquiring mind wanted to penetrate beneath the superficialities of Iraqi politics which showed at the level of Nuri Said and cohorts (apparently the only aspect of Iraq visible to our State Department), it would discover that outside this narrow little sphere of rulers, there was nothing but discontent ravaging popular opinion.

Peasants and landless laborers, living in miserable depths of poverty, small sheikhs with land in their hands, tradesmen and city merchants, students government-educated abroad, civil employees at every level (including students returned and employed as engineers, scientists, doctors, teachers, etc.) lawyers and even members of the congress—all felt the top government absolutely insupportable—to put it mildly. Each was disgruntled with—if not the whole—

then one aspect or another of a rule imposed upon them against their wills. Was there anyone who didn't decry the hypocrisy of Nuri Said and his collusion with the British?

I thought in the religious pilgrimage sites where puritanical prohibitions stifled any whiff of social change it would be different. I found a seething, angry spirit, anti-government in the extreme. No matter what nuance of political opinion a man might have—left, right, Communist or anti-Communist or in between—utter despise for the powers that then were was a constant. Often among the uneducated and illiterate it came out in a nihilism: Let the government be destroyed, that's our aim. What after that? Often they had no idea. The end result of total exasperation.

Land reclamation, dam and highway building had been pursued with extravagant waste, and there was very little to show for it (except perhaps for costly portfolios in government offices of projected engineering works, done up fancy by the ivory tower crew to impress whomever in the government need be impressed, studies often taken from hypothetical, nonexistent conditions, longwinded, time consuming, a waste engineeringwise, and a shame when what the country so desperately needed was the actual dams, irrigation systems, roads themselves.) Foreign engineering contractors had hoodwinked the government right and left with poor materials and bad construction. They built two lane highways (so as to bid lowest and get the contract) where four lanes would scarcely suffice even today's traffic. The new roads buckled so badly often that traffic preferred to take to the open desert. A professor in the College of Engineering, Baghdad told me that not one of the highways on the five year plan had ever been completed, though many had been started.

First things—such as public health (in very low state, considering the numerous diseases endemic to many localities—tuberculosis, malaria, trachoma and other serious and very prevalent eye diseases, hookworm, schistosome and numerous other parasites, and acute asthma from desert dust—to name a few)—first things came second on the list of things to do of the Iraqi Board of Development. The government went in for big things, like spectacular dams. It seemed to have that under-developed nation complex of wanting impressive industry, whether feasible or not. Meanwhile it made feeble efforts to conquer disease and illiteracy. Right next to the town of Najaf (population c. 15,000) it built a tuberculosis hospital, with 40 beds. The doctor in charge of that hospital told me the incidence of tuberculosis there was 90 percent.

While it sent thousands of students abroad every year for a university education, it left out of its education program the multitudes of illiterates. If often allowed these university students to linger abroad on into doctors of philosophy and beyond, when the country urgently needed them as rough-and-ready college graduates. When its ivory tower scholars did finally come home, there was often no place for them in the economy—they were often too specialized. Nobody was more disgruntled than they to find the government had not actually envisaged a position for them that would make some little use of their training. The idea had apparently been to create a corps of young men grateful and loyal to the government. What a miscarriage that was. (All the for-

<sup>1</sup> Some of the dams that American engineering firms had taken over, however, have reached the point where some use is derived from them. They were written up in Engineering News Record this year.

eign-trained scholars I knew had remained bachelors, for when they got home they couldn't find any women who were educated.) The contrast between this highly favored few and the vast majority of illiterate people reflects just how far the Iraqi government's application of democratic principles went. There were very few who didn't mock the government's sincerity. And very few of the government students took their job seriously. Most didn't care one way or the other and took the attitude of blaming corruption at higher levels for what didn't get done. Nobody was really willing to spend himself to accomplish anything; they were so skeptical of what could be done with the government so corrupt. Perhaps this completely negativistic attitude—something much more negative than passive resistance—accounts for the United States misinterpretation of the situation in Iraq. What a contrast between this and the positive, hopeful spirit in Syria and Egypt.

So much for a few of the more obvious aspects of acute discontent that met me on my recent visit to the eastern villages of Iraq and the capital.

The unfortunate apparition of a choice between the existing corruption, or alignment with Nasser, drove the Iraqis his way. You may perhaps know (though the American press never seems to reveal it) that the government of Nuri Said had long ago put an iron clamp on freedom of the press, of speech and of assembly (as did Jordan's Hussein, much later, following suit), and for years threw whomever it cared to call Communist in jail forevermore (Hussein likewise when last year's trouble between Syria and the United States began). With the popularity of Nasser greatly enhanced after Suez, pressure got worse in Iraq, and when the explosion would come, it seemed bound to have the violence of the French Revolution. After so much suppression, I'm surprised there hasn't been more slaughter. Perhaps it's only because a small faction of very vested interests would care to perpetuate the Nuri Said regime. If there is more fighting, it's most likely to be an attempt by some individualist (Iraqis are extremely so) with a different idea of what the revolution should bring.

There was no moderation in the opinions I listened to in the villages, only extremist, lawless, cruel opinions of what should be done with the "tyrants" and "traitors." Was it Radio Cairo that had whipped up the pace? Evidently.

What are we going to do in such a volatile, treacherous situation? By force of arms impose what governments in the Middle East are most easy to deal with—governments like Nuri Said's and Hussein's that crush out civil liberties, all the while talking in flattering terms about having made a decision between communism and the West? Or are we going to let this poverty-stricken, desolate desert land go its neutral way and benefit from a little peace under whatsoever government the people choose? Certainly an effort on the part of our Intelligence to discern what popular opinion really is, would have saved the State Department the shock of the revolt. How could it have gone on—now for a matter of years—completely unaware while the situation was building up?

Across the deserts in Baghdad and in the villages and mud huts, I know how they are taking our armed interference in Lebanon, especially because it was accompanied by a move of the British characteristic (in colonial people's minds) of gunboat diplomacy of the 19th century—as you well know. "Imperialism," they will say, and the Communists will be triumphant, jubilant.

After this very crude move, Iraq's esteem for America has fallen to the bottom, I despair. Perhaps there is still hope, if our State Department decides in the end to in-



form itself on the Middle Eastern situation. What proposal I would make at home would no doubt be decried by a host of red-blooded flag-waving Congressmen as idealistic, is this: a positive propaganda campaign that, instead of speaking about the American way, offers practical applications of American developments—a medical-help program that reaches the level of the common people, and is plainly and boldly labeled as aid from the United States of America wherever and whenever it appears. A few more military coups against governments we support, coups using arms that we provided to keep those governments in power, and perhaps our State Department will learn that hard-headed ideas of force are not winning us the Middle East.

Mr. MORSE. Mr. President, I have received a copy of a telegram which a group of distinguished Americans have sent to the President. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

President DWIGHT D. EISENHOWER,  
The White House,  
Washington, D. C.:

Ill-considered use of armed force is seriously weakening position of United States throughout world. Urge you immediately abandon military intimidation as approach to world problems, cease undermining authority of United Nations, and seek to establish friendly relations with successor regimes in Middle East.

MORRIS A. COPELAND,  
CHANDLER MORSE,  
JOHN A. BRITTAIN,  
NORMAN KAPLAN,  
ROYAL E. MONTGOMERY,  
DOUGLAS F. DOWD.

Mr. MORSE. Mr. President, I have also received a cablegram sent, it states, by Iraqi graduates of American universities, protesting American foreign policy in the Middle East.

I ask unanimous consent that it be incorporated in the RECORD at this point in my remarks.

There being no objection, the cablegram was ordered to be printed in the RECORD, as follows:

BAGHDAD, July 19, 1958.

Senator MORSE,  
United States Senate,  
Washington, D. C.

DEAR MR. MORSE: On behalf of graduates of American universities in Iraq, we appeal to you in the most urgent manner to stop United States aggression in our sister Arab State, Lebanon, the aggression against our sister State, Jordan, and the aggression being contemplated against our own beloved country. It is not possible for us to see how the United States, with complete disregard of the principles of the United Nations and without paying any heed to the report of the United Nations Commission in Lebanon, can give itself the right to land troops in Lebanon which is, according to the report of the U. N. Commission, torn by civil war. The United States position on the revolution in Iraq is equally deplorable. It is well known that the previous royalist regime was a police state, intensely hated by the people of Iraq, who staged several unsuccessful revolutions to overthrow it in 1941, 1948, 1952, and 1956. We should not have to remind you that the right to revolution is an inherent right of the people of any country, and the United States of America was founded by such a method. Our young republic which came into being a few days ago enjoys the support of the

overwhelming majority of our people whose slogan on the day of the revolution was, This is the day we have wanted. How could such a revolution then, arouse the ire of Mr. Henry Cabot Lodge and be used as a pretext for intervention in Lebanon and possible intervention in Iraq? Such Western intervention in Iraq as is being prepared will not deceive world public opinion, no matter under what pretext it is carried out, even though it may deceive the American people, thanks to the lies and distortions of the monopoly press. If such aggression be unleashed against us, we will meet it with all the forces at our disposal, including the support of the Asian-African and Socialist countries, and the sympathy of decent people all over the world. Should this lead to an atomic war, which may well be the case, it will indeed be tragic, but the responsibility will clearly and entirely rest upon the shoulders of the United States. We sincerely hope that commonsense and simple human decency will prevail and will curb the hot-heads in Washington, who seem to be insistent on drawing the world into the abyss and that world peace and our freedom will be saved.

ADNAN RUBAIH,  
President of the Society of Iraqi  
Graduates of American Universities.

Mr. MORSE. Mr. President, I have in addition received a cablegram from 172 physicians, 40 nurses, 55 technicians, and a group of medical students, criticizing American foreign policy in the Middle East. I ask unanimous consent that it may be inserted in the RECORD at this point in my remarks.

There being no objection, the cablegram was ordered to be printed in the RECORD, as follows:

BAGHDAD, July 20, 1958.

Senator MORSE,  
Senate, Washington:

We, members of the Iraqi medical profession, protest to you in the strongest terms possible the landing of troops in Lebanon, the invasion of Jordan, and threats against the Republic of Iraq and other Arab states.

No amount of lies and distortions could hide the fact that this is a flagrant violation of the Charter of the United Nations to which your governments have pledged their allegiance.

It is an act of clear aggression, worse than Suez, since it is taking place in the presence of the United Nations Commission in Lebanon and with complete disregard to its opinions and those of the Secretary General of the United Nations.

We cannot condemn too strongly the Western position on the latest events in Iraq, which are purely the concern of the Iraqi people. Our revolution, which overthrew the hated royalist regime, has enjoyed the complete support of the people.

An attempt by the West to overthrow the republic, under whatever pretext, will be met with the strongest resistance possible from the Iraqi people who, surely, will not find themselves alone in this fight to defend their freedom and independence.

As loyal citizens of our country we cannot tolerate this threat to our sovereignty and the denial of our right to choose the system under which we live.

As members of the medical profession, we are greatly disturbed by the great danger of atomic war involving the death of millions of people. Western brink-of-war-policy is putting us face to face with this possible outcome.

We appeal to you, in the name of humanity, to put an immediate end to Western intervention in the internal affairs of other nations and thereby save world peace.

(Signed by 172 physicians, 40 nurses, 55 technicians and medical students.)

Mr. MORSE. Mr. President, this afternoon I had the very interesting experience of participating with my good friend, the Senator from Kentucky [Mr. COOPER] in a transatlantic discussion with two members of the British Parliament, one a member of the Liberal Party, and the other a member of the Conservative Party. The discussion was moderated by a distinguished Canadian, Mr. Robert MacKenzie.

All I wish to say about the discussion at this time—because at a later time when the transcript of the discussion is available, I shall ask to have it inserted in the RECORD—is that it was most informative to listen to the British points of view presented by those two distinguished Members of the British Parliament.

It was very refreshing to me to find that, as in the Congress, there is far from unanimity in support of the use of military force by the United States Government and by the British Government in the Middle East. I made clear in the discussion that, so far as I am concerned, and speaking only for myself, and I do not consider my views to be singular in America, for millions of American citizens are in no mood to send American boys to the Middle East to give up their lives in order to protect British oil in some Arab sheikdom—the two great citadels of freedom in the world, Great Britain and the United States, should move, and move quickly, through the United Nations, to get their troops out of Lebanon and out of Jordan, and to get United Nations forces into those countries. We should stop giving the impression to the world that we are willing to resort to what I had hoped was a discarded notion in international relations, that any country any longer can impose its will upon the choice of peoples of other countries by military force.

I stressed the fact, in that transatlantic discussion, as I have expressed it on the floor of the Senate, that I believe the President of the United States has exceeded his constitutional power to the extent that he seeks to justify the sending of troops into Lebanon on the basis of a commitment to Chamoun to defend the so-called independence of Lebanon.

By what authority did he make the commitment? He certainly did not make the commitment with the approval of the legislative representatives of the American people.

Under the inherent Commander in Chief powers of the Constitution, it is pretty well established and settled in constitutional law that no President has the right to send troops into any country except to protect American lives and property. That is the limited purpose, and, accordingly, of course, there should be an evacuation of the Americans in that area. We are not doing that in Lebanon.

Because of the confusion which has been spread in America in regard to the basis for having Marines in Lebanon, let the RECORD show that we now



know that the so-called civil war or revolution in Lebanon was such a lackadaisical affair that the casualties on each side averaged less than one a day, for days and days. At no time has there been the type of military conflict in Lebanon which even begins to meet what we refer to when we use the phrase "civil war" or "revolution."

For the most part, Lebanon has divided itself into Christian sectors and Moslem sectors. The Lebanese have been glaring at each other across their barriers and destroying some property, but, for the most part, under circumstances which made fairly clear that lives would not be lost although property was being destroyed.

In a situation of this kind we sent Marines into Lebanon, and by this act we have done ourselves terrific damage in all Africa, Asia, and the Middle East.

We have just heard the Senator from Oklahoma [Mr. MONROE] inform the Senate that our American delegation to the Interparliamentary Union meeting in Rio de Janeiro have already received notice of what the Russians will try to do at the conference in the next few days. They will try to capitalize, with their vicious lying, subversive, and propaganda technique, on what was the great mistake of our military intervention in the Middle East.

In the discussion I had this afternoon, I was impressed with the members of the British Parliament and with their great concern over the question of "How are you going to get out?" Think of it, Mr. President. Think of the real problem which faces the United States Government tonight in regard to the Middle East, of how to save face and get out of Lebanon. We never should have gone in there in the first place, because the very steps which will have to be taken now, to get the United Nations forces into Lebanon should have been taken before we ever moved in.

Oh, I know that when one dares to take the position I have taken in opposition to the risking of American lives in Lebanon, he will be subject to a certain amount of criticism and abuse. But, as I said to my friends from the British Parliament in the discussion this afternoon, when they were talking about the crux of the problem, is it not the real crux of the problem, the British desire for oil from the Middle East? I think the problem of the supply of oil can be worked out by negotiations, diplomatic conferences, and United Nations procedure without the use of military force on the part of Great Britain and the United States.

As I said to my British friends, one of the salient principles of American foreign policy has been our support of the precious right of self-determination of the people of a given nation. What happens to that right in Lebanon when the United States sends in marines and announces that they have landed to support the Chamoun group, against whom other Lebanese are in revolt? We cannot square our support of the principle of the right of self-determination with the policy which the President of the United States is following in Lebanon

when he gives as 1 of his 2 reasons for sending the marines in support of the Chamoun government that a commitment had been made to support the Chamoun government.

That is why I say it is so important to make American foreign policy known to the American people, so they will exercise their right to determine for themselves what American foreign policy is, rather than to have the President of the United States and the Secretary of State proceed to make commitments in violation of the principle of self-determination, and follow these commitments up by sending American boys to protect a government and to risk their lives, when back of it all we know we cannot eliminate the factor of oil for Europe.

I do not propose to sacrifice the lives of American boys for oil for Europe. Rather, I propose, as I said on the broadcast this afternoon, to seek to put to work the peaceful procedures of the United Nations Charter, as set forth, for example, in the judicial article of the charter, to which we seldom refer, in an attempt to settle international disputes which threaten the peace of the world.

I wanted to make this statement because one in my position can never know—and never can foretell—what representations will be made about an attitude he takes. I have not the slightest idea what representations will be made about the position I took on the transatlantic discussion this afternoon. Therefore, I owe it to myself to make this statement in the Senate tonight.

In my opinion, both Great Britain and the United States have made a serious mistake, Great Britain in sending troops into Jordan, and the United States in sending troops into Lebanon. I said to my British friends that I think both countries ought to proceed to withdraw their forces and to join in making certain that all our influence is brought to bear in the General Assembly of the United Nations to get General Assembly support for sending United Nations police forces into those areas. I hope the Secretary General of the United Nations, Mr. Hammarskjöld, will proceed, as he has the legal authority to do, to strengthen the United Nations observation team in Lebanon, because I think that is a first and necessary step to a broadening of the use of a United Nations police force in the Middle East.

Mr. President—

The PRESIDING OFFICER. The Senator from Oregon.

#### PROPOSED CHANGES IN CHARTER OF GROUP HOSPITALIZATION, INC.

Mr. MORSE. Mr. President, earlier this afternoon the chairman of the Committee on the District of Columbia, the distinguished Senator from Nevada [Mr. BIBLE], introduced a bill proposing changes in the charter authorizing the operation of Group Hospitalization, Inc., in the District of Columbia. I am happy to associate myself with him and with the ranking member of the minority on the committee, the distinguished Sen-

ator from Maryland [Mr. BEALL], in cosponsoring this needed legislation.

The objective of the bill is to achieve a greater degree of participation by the Commissioners of the District of Columbia in the ratesetting operations of this nonprofit public-service corporation.

In cosponsoring the bill, I am reserving judgment as to the necessity or desirability of the recent 42 percent increase in rates. That is properly a matter to be determined by competent and objective quasi-judicial proceedings. I am very much interested, however, to assure myself that proper procedures are set forth in the charter to assure the subscribers to this plan that rate changes are made only to the extent necessary to maintain a sound financial position for the operation.

It is my belief that the bill as introduced will accomplish this purpose, and it is my intention to take such action upon it, as chairman of the Subcommittee on Public Health, Education, and Safety of the of the Senate Committee on the District of Columbia, as is possible during this session of Congress.

Some of us on the Committee on the District of Columbia were besieged, shortly after the bill increasing the salaries of Federal employees was passed, by protests from some employees because the Group Hospitalization authorities in the District of Columbia proceeded to raise the cost of group hospitalization. I do not know whether there was any cause-to-effect relationship between the salary increases provided in the bill passed by the Congress and the decision of the hospitalization group thereafter to raise the hospitalization costs. But I think the subscribers to the service certainly are entitled to have the Senate District Committee look into the situation.

To that end also, I am happy to join in the cosponsorship of the bill which the chairman of the committee introduced this afternoon.

#### AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. MORSE. Mr. President, I intend to support the pending amendment designed to incorporate in the omnibus farm bill the Wool Act extension provisions of S. 2861. In doing so, I wish to make it perfectly clear, as I think I did earlier this afternoon in my colloquy with the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Illinois [Mr. DOUGLAS], that I reserve the right to cast a negative vote on the bill itself, because, in my judgment, unless a number of amendments to the farm bill are adopted, it will be a measure difficult to support and justify to the farmers and small-business men of my State and of the Nation.

In fact, I would prefer to vote for the extension of the Wool Act by the adoption of S. 2861, rather than to have that bill attached to the farm bill as an amendment. However, the amendment



is perfectly germane to the bill; therefore, it is highly proper to offer it to the bill.

Unless the farm bill is so amended that I can honestly say to myself that I am voting for a bill which is just and fair to the farmers across the Nation, which is just and fair to the farmers of my State who raise agricultural products other than wool, then I cannot vote for the bill in its final form, even though it has a desirable wool amendment in it.

I was very much interested in the discussion between the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Illinois [Mr. DOUGLAS] this afternoon, in which they sought to point out that they feel a parliamentary strategy is being used in the Senate in an effort to divide the Senate on a regional or agricultural product basis; that an appeal is being made to the so-called cotton State Senators and the so-called wool State Senators to support the bill, because cotton and wool, if the wool amendment is added to the bill, will be placed in an advantageous position.

I said in the colloquy this afternoon, and I reiterate the statement now in my speech on the wool amendment, that I do not think Senators should permit themselves to be so victimized. Unless we stand together for a bill which is fair to all segments of agriculture, then we will only illustrate the historic utterance that "if we do not hang together, we will hang separately," so far as this matter is concerned.

Therefore, Mr. President, after I vote for the wool amendment, I want my friends in the Senate who will submit other amendments, in order to make the bill a fair one, to know that I shall vote for their amendments, too.

But if the final form of the bill is such that, for all intents and purposes, it is a cotton and a wool bill, I shall vote against it, because I believe that the farmers of the nation are entitled to a farm bill which will do justice to all segments of American agriculture.

However, I believe that the amendment to extend the Wool Act thoroughly deserves, on its own merits, the favorable consideration of all Senators who have at heart the best interests of the sheep and wool industry.

Mr. President, sheep raising is carried on in every county of Oregon. According to the Atlas of Oregon Agriculture, an official publication of Oregon State College, in 1954, nearly 8,000 Oregon farms had on them 860,650 sheep and lambs, valued at \$14,787,908. Those animals, as I have said, are distributed among all 36 counties, but the greatest concentration is in Eastern Oregon and the Willamette Valley.

In 1956, Oregon wool producers received \$3,737,000 for their 8,124,000 pounds of production. In addition, because of value added in grading, handling, and marketing of wool, there came into our economy another \$447,000, 65 percent of which went into wages. A sizable portion of that increase was spent in local stores. Thus, when I speak in favor of an extension of the Wool Act, I speak not only in behalf of

the farmer-producer, but also in behalf of the workers and the small businessmen of my State.

This is not a new position for me to take. In 1947, under the leadership of the distinguished Senator from Wyoming [Mr. O'MAHONEY], I voted for price supports for wool. In 1954, I voted against a ceiling on wool price supports. I supported the original Wool Act, and I voted for earlier extensions of those supports; and tonight I shall again vote for those supports.

Mr. President, a great number of Oregonians have written to urge that I do all in my power to see that the Wool Act is extended this year. I pledge to them that I shall do so. If the omnibus bill to which the amendment to extend the Wool Act is proposed does not survive the vicissitudes of debate; or if the bill is not amended sufficiently to become a fair farm bill; or if as a result of amendment, it should face a veto, I shall, in conjunction with others friends of the wool growers, move to have Senate bill 2861, which now is on the calendar, called up for action prior to adjournment.

A portion of a memorandum which was forwarded to me by proponents of the extension of the Wool Act price-support provisions impressed me because it gave a very clear indication of why early enactment of this proposed legislation is imperative. The memorandum reads, in part, as follows:

In order to maintain the gains toward increased wool production already underway, an incentive price for the 1959 marketing year which begins next April must be announced this summer. Otherwise, our domestic woolgrowers will figure that they cannot count upon more than the free market price for their wool after March 31, 1959, when the authority for incentive payments under the present act expires. Without assurance of continuance of an incentive level, they will not have the confidence to retain ewe lambs for breeding stock.

Increases in sheep and wool production due to the very nature of the enterprise can be only gradual even under the most favorable conditions. Considering the time it takes to hold back more ewe lambs for breeding and getting those lambs into production, a 3 or 4 percent increase annually is about all that can be expected in practical operations. Raising more sheep is not like raising more wheat where the seeding of one more bushel of wheat can result in 30 or 40 more bushels within a few months.

Due to the longtime nature of the sheep and wool enterprise, a continuing program is essential to give growers the confidence needed for them to make plans for increasing wool production. The incentive price must be announced at the time they are deciding whether or not to hold back their ewe lambs for future breeding purposes and thus long before the increased production from those lambs will reach the market.

Mr. President, I believe that memorandum makes a very sound presentation of the basic reasons why the Wool Act extension measure should be enacted, either as an amendment to a fair agricultural bill, or as a separate bill in the form in which Senate bill 2861 now is awaiting consideration by the Senate.

Mr. President, I have received from

Oregon a number of communications in which residents of Oregon comment on the proposed extension of the Wool Act. I ask unanimous consent to have the communications printed at this point in the RECORD, in connection with my remarks.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

KLAMATH FALLS, OREG., July 24, 1958.  
Hon. WAYNE MORSE,  
United States Senate,

Washington, D. C.:

We urge renewal of the 1954 Wool Act, Senate bill 2861.

BOARD OF DIRECTORS, KLAMATH PRODUCTION CREDIT ASSOCIATION.

PORTLAND, OREG., July 23, 1958.

WAYNE MORSE,

Senate Office Building,

Washington, D. C.:

As passage of National Wool Act is essential for survival of Oregon woolgrowers suggest all possible effort for renewal of act before Congress adjourns.

PORTLAND WOOL TRADE ASSOCIATION,  
THOMAS B. BISHOP, President.

VALE, OREG., July 20, 1958.

Hon. WAYNE MORSE,

Washington, D. C.:

Urgently request your full support for passage of S. 2861. Industries desperately in need of Wool Act extension.

Kindest regards,

JULIAN ARRIEN.

BROOKINGS, OREG., July 20, 1958.

Senator WAYNE MORRIS,

Senate Office Building,

Washington, D. C.:

I urge you to do everything possible for passing of the National Wool Act.

GENE COLEGROVE.

HARBOR, OREG.

BROOKINGS, OREG., July 20, 1958.

Senator WAYNE MORSE,

Senate Office Building,

Washington, D. C.

HONORABLE SIR: We urgently request that you act immediately on the National Wool Act before Congress adjourns this session.

Sincerely,

DELMER COLEGROVE, Sr.

PORTLAND, OREG., July 19, 1958.

Honorable WAYNE MORSE,

Senate Office Building,

Washington, D. C.:

We understand that the agricultural omnibus bill containing the wool incentive program was defeated. This is a serious blow to the sheepmen of Oregon and urgently request your assistance in introducing and supporting new legislation which will continue the present program for another 4 years. As we are financing a large portion of sheepmen in the Northwest we realize the value of the incentive program. In our estimation this program has definitely carried out the original intent and has been beneficial in stabilizing the sheep industry in our area; therefore we feel that it would be very unwise to discontinue this program now.

NORTHWEST LIVESTOCK PRODUCTION  
CREDIT ASSOCIATION.

HEPPNER, OREG., July 21, 1958.

Senator WAYNE MORSE,

Senate Office Building,

Washington, D. C.:

Urgently request your efforts be directed toward extension of National Wool Act this session.

SHIRLEY AND GEORGE RUGG.



ARLINGTON, OREG., July 20, 1958.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

We urgently request you make every effort to have the wool bill brought out of the Agriculture Committee to the floor of the Senate for action before Congress adjourns. The fate of the sheep industry is at stake. Further liquidation can be stopped only by extension of this act.

GEORGE SHANE & SON.

HEPPNER, OREG., July 21, 1958.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

Urgently request your efforts be directed toward extension of National Wool Act this session.

VIRGINIA AND DICK WILKINSON.

HEPPNER, OREG., July 21, 1958.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

Urgently request your efforts be directed toward extension of National Wool Act this session.

WAVEL WILKINSON.

ONTARIO, OREG.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

Request support and immediate action for extension of National Wool Act.

D. F. FRASER.

COQUILLE, OREG.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

Request your immediate efforts to bring bill to extend Wool Act from committee and through Congress this session. Wool support ends this year unless this bill is passed now.

HOLLIS MAST,  
President, Coos County Livestock  
Association.

LAKEVIEW, OREG., July 23, 1958.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

Urgent get action renew Wool Act. Request your help.

FREMONT SHEEPMAN'S ASSOCIATION.

REDMOND, OREG., July 22, 1958.

The Honorable WAYNE MORSE,  
United States Senate Office Building,  
Washington, D. C.:

The Agriculture Committees of both Houses have favorably acted on the wool bill but it has not come to the floor of the House for action. We would like to urge your support on this matter since you realize the importance of the Wool Act to the sheep industry and the welfare of our community. The sheep industry cannot survive in the face of foreign competition without sufficient tariffs and without any support program.

W. C. HAYS,  
Secretary-Treasurer, Central Oregon  
Production Credit Corporation.

THE DALLES, OREG.,  
July 22, 1958.

Hon. WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

Would appreciate any help you can give to get bill S. 2861, Wool Act, on Senate floor for favorable consideration.

J. MERTON STEIN,  
Secretary-Treasurer, Mid-Columbia  
Production Credit Association.

PORTLAND, OREG.,  
July 23, 1958.

Hon. WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

May we call your attention to renewal of Wool Act of 1954, now favorably acted on by Agricultural Committees of both House and Senate, but has not been permitted to come to floor for action. Renewal of this act before adjournment of present session is vital to survival of western sheep men and to woolen industry of this country. It is our hope that you will be able to give enactment of bill your active support.

C. M. BISHOP,  
President, Pendleton Woolen Mills.

ECHO, OREG., July 22, 1958.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

Understand the bill to extend the National Wool Act beyond its present expiration date has not been permitted to come to the floor of either House for action. I hope that you and others of the Oregon delegation to Congress will earnestly endeavor to get action on this bill. I will also contact NEUBERGER and Representative ULLMAN.

GAYLORD MADISON,  
President of Umatilla Wool Growers.

ROSEBURG, OREG., July 21, 1958.

Senator WAYNE MORSE,  
United States Senate,  
Washington, D. C.:

Douglas County Livestock Association requests your support toward renewing National Wool Act. We feel it essential to our sheep industry. Your assistance urgently needed to get this legislation through before present act expires.

DARLEY WARE,  
President.

NORTH PORTLAND, OREG., July 24, 1958.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

We urgently request your help in introducing and supporting legislation necessary to extend the present Wool Act. Failure to extend the act would be a serious blow to the expanding sheep industry in the State of Oregon.

W. E. WILLIAMS,  
President, Portland Union Stockyards.  
PROSSER E. CLARK,  
Secretary, Livestock Exchange.

CURRY COUNTY  
LIVESTOCK ASSOCIATION,  
Gold Beach, Oreg., July 21, 1958.

DEAR SENATOR MORSE: The sheep industry and wool income is of vital importance in Oregon. While we are generally opposed to subsidies we must admit that the wool incentive payment is most economically sound and of most vital importance to our total economy and preparedness.

Our sheep population in the United States is approximately half the number on farms during the early OPA uneconomic regulations period when WAYNE MORSE made his daily speech opposing restrictions on lamb marketing. At that time he predicted it would put our sheepmen out of business, and it did, many of them. During World War II Southern Hemisphere wool was stockpiled again, making the woolgrower a victim of controlled economy disadvantages. The sheep industry plays a very important part in good land use and should be encouraged.

Now we are threatened with political negligence. The Agriculture Committees of both Houses have favorably acted on the wool bill but it has not been permitted to come to the floor of either House for action. There is now a grave danger that Congress will not

act at this session and there may be less than 3 weeks left before they adjourn.

We urgently request that the Oregon delegation use their combined influence and united action to get the wool incentive bill on the floor before Congress adjourns this session. Thank you very much.

Yours very truly,  
CHARLES R. KNOX,  
President.

OAKLAND, OREG., July 22, 1958.

Hon. WAYNE MORSE,  
United States Senator,  
Washington, D. C.

DEAR SENATOR MORSE: I am writing relative to the Wool Act.

Woolgrowers are faced with ruinous low prices if the Wool Act is not renewed. Wool is an important commodity from the standpoint of defense, and our growers are an important segment of our Oregon agricultural economy.

I would urge every effort on your part to see that this important piece of legislation is passed before Congress adjourns.

Sincerely yours,  
EUGENE H. FISHER,  
Member, Pacific Wool Growers  
Board of Directors.

Mr. MORSE. Mr. President, in conclusion, I wish to say to the wool producers of my State that if, in the next few hours, or on tomorrow, if the debate on the farm bill continues until then, I find, at the conclusion of the debate, and when the Senate is asked to vote on the farm bill, that I am confronted with a choice between voting for a bad farm bill which contains only a few good provisions, such as the wool amendment, and voting against the bill—in the hope that if the bill is defeated, we shall be able to pass a better bill—I shall vote against the bill.

If we cannot obtain the adoption of what I consider to be the amendments which must necessarily be adopted if the bill is to be a fair one—and the wool amendment is one such amendment; but it is only one, among others—then I shall vote for a motion to recommit the bill, in the hope that the committee will report a better bill.

I make that statement tonight, so the RECORD will show it, because I am well aware that there will be those who will be so much concerned with their own immediate economic interests that they will be very much disappointed should I vote against the bill if it contains a provision which will be of immediate benefit to them.

However, Mr. President, as I pointed out in the Senate earlier this afternoon, once again, so far as my representation of the people of Oregon in the United States Senate is concerned, I am confronted with the necessity of making a choice between voting to carry out what I consider to be my primary obligation in serving as a United States Senator from Oregon for the Nation and voting to carry out my obligation as a Senator from Oregon, and for Oregon alone, in the United States Senate.

As I have said over and over again in my State, I believe that I best serve the long-time interests of my State when I vote for proposed legislation in accordance to my answer to the question, "Will this measure best promote the interests of the Nation as a whole?"



Mr. President, in my judgment the pending bill in its present form will not best promote the interests of American farmers across the Nation as a whole; and, on the question of final passage, if the bill then is in its present form, I will not vote for it.

However, I sincerely hope that by the time the third reading of the bill is reached, there will have been added to the bill amendments along the line of those suggested in the debate this afternoon by the Senator from Minnesota [Mr. HUMPHREY], the Senator from Illinois [Mr. DOUGLAS], and the Senator from Wisconsin [Mr. PROXMIER], because I believe such amendments will make the bill a national farm bill, not a bill—as it is, in its present form—for only a selected group of farm interests.

THE WOOL AMENDMENT TO THE FARM BILL  
SUBSIDIES VS. TARIFFS

Mr. MALONE. Mr. President, I join the distinguished Senator from North Dakota [Mr. Young] in supporting his amendment which will add the National Wool Act of 1954 to the pending bill, since it is absolutely necessary that there be a subsidy for wool, so long as the free-trade principle has been extended by the Congress.

Mr. President, the bill to extend the National Wool Act is Senate bill 2861. It has been reported to the Senate, and it would extend the Wool Act for 4 years. That is exactly what the amendment which now has been submitted to the pending farm bill will do.

It continues appropriating 70 percent of the specific duties on all wool imported into the United States to be used to make incentive payments.

In addition, it authorizes the use of more money, if it is required, in order to accomplish the purposes of this act, which is to increase wool production to 3 million pounds of shorn wool production in the United States as compared to the present production of 2,300,000 pounds.

Under the 1935 Tariff Act if the 1934 Trade Agreements Act had not been extended the tariff—under the equalization of costs of production principle—the tariff would have represented the difference in cost of production here and in the chief competing country; and the producers would be back in business.

Being a 2-product industry, the growers definitely feel that they need this provision, and have been highly pleased with the results of the wool subsidy act up to now.

Prior to the promotion program, we could always sell a leg of lamb and lamb chops at a good price, but had no demand for the lesser known cuts. With the promotion, such sales have been possible under this act for 3 years, and demand has been created for those lesser known cuts, and it has helped the entire market.

I urged that the bill be adopted without crippling amendments.

I want to say again, so long as we have a free trade principle established in the United States, through congressional act transferring its constitutional responsibility to regulate foreign trade to the President, who has the authority to

destroy any industry through trading it for his foreign policy, there is no opportunity for the 1930 Tariff Act principle to take over in this or in any other field, then a subsidy is necessary if we are to keep producing this strategic material—and Mr. President, it is just as simple as that.

If the 1934 Trade Agreements Act had not been extended, we would have reverted to the 1930 Tariff Act and the Tariff Commission, which is an agent of Congress, would have regulated tariffs under section 336 of the 1930 Tariff Act. In that section there is a provision for what is called the equalization of cost of production principle, under which the Tariff Commission would have determined the cost of producing wool in this country—not the high cost, nor the low cost, but the reasonable cost—as compared to the reasonable cost of the production of that commodity in the chief competing nation, which in this case probably would be Australia, and the difference is made up by the tariff. If that provision had come into play no subsidy would have been necessary in this field.

It is well known that a sheep unit, a ewe and a lamb can be produced in Australia for about one-fifth, or 20 percent, of the cost of producing that unit in the United States.

Without going into detail, the difference in the standard of living in Australia as compared with the United States is well known. I was over much of Australia in 1943. The wages there are very low. The range is good. The available production is very high. Of course, the cost of water transportation for the product is very low. So with our standard of living it means either a tariff or a subsidy or going out of the business.

Mr. President, I have a letter from John Carpenter, of Elko, Nev., and I ask unanimous consent that the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ELKO, NEV., July 21, 1958.  
Senator GEORGE MALONE,  
Washington, D. C.

DEAR SIR: I am writing you in regard to the wool bill. It is very important that we get this bill extended.

No need to go into the details, as you have always supported the sheepmen in their attempt to survive.

I sincerely hope you will give this important matter your utmost attention.

Sincerely yours,

JOHN CARPENTER,  
Magnuson Ranch.

Mr. MALONE. Mr. President, I also have a wire from Pete Elia, Smith Creek Livestock Co., Elko, Nev. I ask unanimous consent that the telegram be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ELKO, NEV., July 24, 1958.  
Hon. GEORGE MALONE,  
Senate Office Building,  
Washington, D. C.

Your immediate efforts in passing the bill to renew the Wool Act at this session of

Congress is strongly urged. I am sure you are aware that the future of the sheep industry is at stake. Your work on this behalf will be appreciated by the entire sheep industry.

PETE ELIA,  
Smith Creek Livestock Co.

Mr. MALONE. Mr. President, I also have a wire from Earl Edgar, Itcaina Livestock Co., Elko, Nev., which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ELKO, NEV., July 24, 1958.  
Hon. GEORGE MALONE,  
Senate Office Building,  
Washington, D. C.

As you are aware the renewal of the Wool Act at this session of Congress is very important to our sheep industry. Appreciate your doing your utmost for us.

EARL EDGAR,  
Itcaina Livestock Co.

Mr. MALONE. Mr. President, I also have a wire from Joe Echegaray, of Elko, Nev., asking that the Wool Act be extended. I ask unanimous consent that the telegram be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ELKO, NEV., July 24, 1958.  
Hon. GEORGE W. MALONE,  
Senate Office Building,  
Washington, D. C.:

Please try to pass renewal of Wool Act this session. Your efforts on behalf of sheep industry will be greatly appreciated.

JOE ECHEGARAY.

Mr. MALONE. Mr. President, I have wires and letters from Gov. Charles H. Russell; Fred M. Strosnider; F. M. Fulstone, Jr.; F. M. Fulstone, Inc.; Roberts Sheep Co.; Domingo Calzacorta, Blue Dick Sheep Co.; Celso Madarieta; George N. Shallow, Nevada Wool Marketing Association. I ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

CARSON CITY, NEV., July 22, 1958.  
Hon. GEORGE W. MALONE,  
Senator for Nevada  
Senate Office Building,  
Washington, D. C.:

Nevada wool growers unanimously are in favor of support of extension of the Wool Act as a protection to one of our basic industries. I concur with them that extensions is essential. Please file copies of this telegram with committee.

Regards,

CHARLES H. RUSSELL,  
Governor.

YERINGTON, NEV., July 22, 1958.  
Senator GEORGE MALONE,  
Senate Office Building,  
Washington, D. C.:

Assurances here passage of National Wool Act before August adjournment would greatly benefit wool growers of Nevada urge your best efforts for such legislation.

Kind personal regards,

FRED M. STROSNIDER.



YERINGTON, NEV., July 22, 1958.

Senator GEORGE MALONE,  
Senate Office Building,  
Washington, D. C.:

We urge immediate action for renewal of the Wool Act.

F. M. FULSTONE, Jr.,  
F. M. Fulstone, Inc.  
ROBERTS SHEEP CO.

ELKO, NEV., July 21, 1958.

Hon. GEORGE W. MALONE,  
Senate Office Building,  
Washington, D. C.:

Have been advised that the wool bill might not be passed before adjournment of Congress. As you are aware this wool program has been the salvation of the industry. Therefore would appreciate your immediate efforts on behalf of this wool bill.

DOMINGO CALZACORTA,  
Blue Dick Sheep Co.

ELKO, NEV., July 21, 1958.

Hon. GEORGE W. MALONE,  
Senate Office Building,  
Washington, D. C.:

I have been urged by the sheepmen to contact you regarding action to renew the Wool Act before adjournment of Congress. Your efforts on behalf of the sheep industry at this time will be gratefully remembered.

CELISO MADARIETA.

NEVADA WOOL MARKETING ASSOCIATION,  
Ely, Nev., July 10, 1958.

Hon. GEORGE MALONE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MALONE: We understand the farm bill will be coming up next week for further consideration. Wool growers in Nevada will appreciate your support for adding to the farm bill the extension of the Wool Act as reported by the Senate Agriculture Committee.

We will also appreciate it if you will fight amendments which will cause the farm bill to be vetoed.

I am sure that you realize enactment of favorable wool legislation is vital for the continuance of the sheep industry in Nevada.

Best personal regards,  
GEORGE N. SWALLOW, Manager.

Mr. MALONE. Mr. President, in the referendum conducted under section 708 of the National Wool Act, under which ballots were mailed to sheepgrowers all over the United States, sheepgrowers were given from June 27 to August 18, a period of 54 days, to make a determination, to mark, and to mail in their ballots.

The proposed amendment which would limit the voting period to 6 days would work a hardship in many cases, particularly in Western States where there are large flocks of sheep. In my State some of the sheepgrowers are out on the range for weeks at a time. Some of them do not even receive their mail in more than 6 days.

It would not only be impractical, but it is an effort on the part of any such amendment to insure that the referendum will not meet the deadline, since there is a requirement that a certain percentage of voters must vote in the referendum before section 708 can be used to comply with the growers' own self-help promotion and advertising program, paid by the growers. It is an unusual request simply because it is not practical.

Every sheep organization and other general farm organization in the United States is supporting the continuation of section 708 in its present language, and opposing the position taken by certain organizations that seem either not to understand the conditions or that are opposed to the program.

Sixty-seven thousand two hundred and eighty-eight producers out of 335,974 producers in the United States voted in the 708 referendum under the Wool Act. This represents 20 percent of the producers. In view of the fact that 80 percent of all producers have less than 50 head of sheep, this was considered to be a large percentage of voters, because to the small producer, sheep is a sideline. It is also indicated by the fact that those producers have 12,918,165 sheep out of the 31,582,000 sheep in the United States. Thus, 41 percent of the sheep in the United States were represented in this referendum.

Mr. President, I have a table showing the figures on percentage of growers voting in the latest marketing referendums held on cotton, wheat, peanuts, and rice, and I ask unanimous consent that the table appear at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Figures on percentage of growers voting in latest marketing referendums held on cotton, wheat, peanuts, and rice

| Marketing year           | Total votes cast | Estimated total eligible to vote | Percentage voting |
|--------------------------|------------------|----------------------------------|-------------------|
| Cotton:                  |                  |                                  |                   |
| 1957.....                | 231, 678         | 1, 263, 773                      | 23. 1             |
| 1958.....                | 229, 315         | 1, 222, 087                      | 18. 8             |
| Wheat:                   |                  |                                  |                   |
| 1958 (June 20, 1957).... | 235, 039         | 894, 960                         | 26. 3             |
| 1959 (June 21, 1958).... | 230, 300         | 881, 619                         | 26. 1             |
| Peanuts: 1956.....       | 39, 138          | 152, 672                         | 25. 6             |
| Rice: 1958.....          | 6, 827           | 25, 205                          | 27. 1             |

Mr. MALONE. Mr. President, the Wool Act—that is, the bill which was introduced to extend the Wool Act, and which now has been offered in the form of an amendment to the farm bill by the Senator from North Dakota [Mr. YOUNG]—would suffice to carry on this important industry for another 4 years.

I note that the Senator has asked that all of us who joined in introducing the original bill be now joined as sponsors of the amendment.

I am in favor of the amendment, Mr. President, to be voted as an amendment to the bill, without any crippling amendments to the Young amendment.

I want to say again that I am not generally in favor of subsidies. We opposed the subsidy in the first instance, 3 years ago—1955—until Congress had again extended the 1934 Trade Agreements Act for 3 years, allowing the President of the United States and the organization of 36 foreign competitive nations in Geneva to write off any industry in our country to further a foreign policy. They could then sell any American industry down the river through an Executive order, by an Executive decision, or by a multilateral trade agreement in Geneva, without reference to the Congress.

The Senate Committee on Finance did amend the 1934 trade agreements extension bill this year, and provided that the President, if he decided to bypass the Tariff Commission in an escape-clause action, had to get the consent of a majority of both Houses of Congress. I am sorry to say that amendment lost in this body; however, we did retain 5 amendments which I hope the conference will hold in the bill.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. YOUNG. Is it not true that the sheep producers of this Nation would much prefer a little tariff protection to the passage of the bill we are considering tonight? The sheep producers would much rather have no program at all and only a little tariff protection, which would take care of their needs. That would be the simple way to handle it.

Mr. MALONE. I will say to the distinguished Senator from North Dakota there is no question but what the principle adopted in 1789, in the first Tariff Act, was a principle of protection of the American investor and the American workingman. That principle was carried through until 1934. It was exemplified by the 1930 Tariff Act, which was called the equalization of the cost of production act.

In other words, under that act the Tariff Commission would simply determine on its own motion, on request of the President, on request of the Congress, or on request of a producer or a consumer, the difference in the fair cost of production in this Nation and in the chief competing nation.

The cost equalization principle was laid down in 1930, in section 336 of that act. The Tariff Commission on its own motion or by request would simply determine the difference in cost and that would become the tariff.

In the present case under the 1930 Tariff Act, the Tariff Commission would determine the cost of producing wool in this country. It would not consider the high or the low cost, but would consider the reasonable cost of production in the United States and the reasonable cost of production in the chief competing nation, which in this case might be Australia or any other low labor cost nation. That difference would be recommended as a tariff.

That was a 150-year-old principle, laid down by the Congress of the United States, until upset by the 1934 Trade Agreements Act—an international socialistic program.

Mr. YOUNG. Is it not true that prior to the adoption of the Wool Act nearly 4 years ago, the sheep population in the United States had dropped to the lowest level in 70 years? In fact, it had dropped to such a dangerously low level that in the event of war we would have found ourselves with a very difficult problem on our hands.

Mr. MALONE. The distinguished Senator from North Dakota is entirely correct. The sheep industry was on the way out, like the crockery industry is now gone and like the glass industry is



now going. The textile industry is on the way out. We had an exhibition, last year and at the beginning of this year, when the Free Trade Act, the extension of the 1934 Trade Agreements Act, was under consideration, with respect to the fact that textiles in this country are being absolutely destroyed. The Secretary of State made a great show of consulting Japan, to see if Japan would temporarily decrease its shipments of textiles into the United States, so that some of our textile companies might survive.

If someone, 25 or 30 years ago, had said—especially since we were about to go to war against Japan, and did go to war against them, and will again one of these days if we keep this procedure up, only the next time Japan will probably join with Russia—that we would have to depend on the philanthropy and good will of Japan toward the United States to stay in the textile business, so that some of our own textile mills might survive, I think that man would have been put into an insane asylum. Indication of something like that at that time would never have been considered possible, yet we have reached such a condition of dependency.

In 1955 when the Wool Act passed the Congress we were actually at the mercy of Australia and all the cheap producing countries, simply because we had extended the Free Trade Act another 3 years. Now we have extended the act for 3 years in the bill as it passed the Senate and for 5 years in the bill as it passed the House, and nobody knows what the conference committee will do. At least the act will be extended for 3 years to the utter abandonment of the workingmen and investors of this Nation.

Frankly, without any subsidy, which is what it is, the wool business is gone under the free-trade policy to which this Nation is committed. Mr. President, we know what will happen if the bill is not passed to provide a subsidy, with an extension of 3 or 4 or 5 years, or whatever the conference committee agrees upon, of the 1934 Trade Agreements Act. If this subsidy bill is not passed and there is no tariff adjustment the sheep will not be brought out of the mountains next year. They will be a total loss.

Mr. President, there is only one chance for the sheep business, and that is a tariff or a subsidy to keep in production a strategic material. This sheep business provides something we could not fight a war without. We certainly could not get the wool from across the ocean, from Australia, if there were a war on, considering the submarines.

Some of us have had experience in this field. During World War II, I was a consultant to the Senate Military Affairs Committee, which is now the Armed Services Committee of the Senate. I was also consultant to the Secretary of War.

I am the person who was sent into Dutch Harbor behind the Japs. The War Production Board sat in conferences—and I sat with them sometimes—worrying about getting strategic materials from Africa and from other

places, while 90 percent of the ships were being sunk, Mr. President, during the first 6 months. Of course, and that could happen again.

I am saying nothing about the economic effect of the business in this country, with reference to the economics of the country. I am happy to know we retained the 5 amendments to the Trade Agreements Act.

We retained 5 of the 6 amendments which the Committee on Finance of the Senate added to the bill for extension of the 1934 Trade Agreements Act. One of those amendments was the one instructing the President, when considering national defense, that he must consider the economic structure of the country, and the importance of the industry to a healthy economic structure.

That is the way we ran this country the first 150 years. If a person could compete with other Americans he was in business. Now he would not be in business unless he could compete with Siam, Australia, and 75 other foreign nations.

We did put an amendment on the bill, Mr. President, to the effect that in considering national defense we should consider the economy of this country and the economic structure of this country, and the President must do that if the conference committee leaves the amendment in the bill. I hope the conference committee will leave the five amendments in the bill, as was done by the Senate.

In more direct answer to the Senator from North Dakota, I should like to observe that the Senator made a fine presentation of his amendment when he offered it last night. I compliment the Senator on his presentation.

We have only 1 of 3 choices. Either the industry will go out of business, we will pay the subsidy, or we put a tariff on the wool representing the difference in cost. This country was operated for 150 years on that policy, so that Americans could compete with Americans in the production of a product. Not only wool, but 5,000 other products are concerned. An American should be able to stay in business if he can compete with other Americans, who pay about the same wages and the same taxes, with the same expense of doing business. Then, if he can get himself financed, he is in business, if his judgment is correct.

But now one can spend his money and get started in business and in Washington, D. C., through an Executive order, an industry can be utterly destroyed. It is being done every day.

Mr. President, I hope this amendment will be adopted, without crippling amendments.

Mr. WATKINS. Mr. President, the Young amendment to this bill is identical to S. 2861 which is now on the Senate Calendar. In fact, S. 2861 has been on the calendar since April 21, 1958—nearly 2½ months now. Under these circumstances, I hope the Senate will enact this amendment. While it is true that the National Wool Act does not expire until March 31, 1959, nevertheless failure to extend that act during this Congress will produce uncertainty on the

part of wool growers as to their production plans at the very time we are trying to encourage the annual domestic production of 300 million pounds of wool.

In section 702 of the National Wool Act of 1954, Congress declared:

It is hereby recognized that wool is an essential and strategic commodity—which is not produced in quantities and grades in the United States to meet the domestic needs and that the desired domestic production of wool is impaired by the depressing effects of wide fluctuations in the price of wool in the world markets.

The same provisions of law declared it "to be the policy of Congress, as a measure of national security and in promotion of the general economic welfare to encourage the annual domestic production of approximately 300 million pounds of shorn wool, grease basis, at prices fair to both producers and consumers in a manner which will have the least effect upon foreign trade."

Sections 703 and 704 authorize the Secretary of Agriculture, through the Commodity Credit Corporation, to obtain this level of domestic production by use of incentive payments. The payments, when added to the national average price received by producers, are to provide producers a national average return equal to the support level set by the Secretary.

Congress thus recognized that certain impediments, which are inherent in the nature of the wool industry, interfere with the natural price mechanism to such an extent that the market alone cannot be relied upon to guarantee an annual domestic clip of 300 million pounds. For example, an incentive must be provided during the period of expansion of this industry, if producers are to be able to incur increased costs of, first, acquiring additional range land; second, carrying out range improvements on presently held lands so as to increase forage yields; and, third, obtain competent herders at wages comparable to what these people can get in other occupations.

All these things must be done and growers cannot, over the relatively long period of time it takes to increase sheep numbers and thereby wool production, by themselves finance such an undertaking without at least a guarantee of receiving 100 percent of parity.

For this reason, during the 1955 and 1956 marketing years, the actual payment rates were set at levels—19.2 cents per pound and 17.7 cents per pound, respectively—which when added to the national average prices received in the market place—42.8 cents and 44.3 cents respectively—would give growers a total return of 62 cents per pound, or 106 percent of parity. Preliminary data provided by the USDA indicates that the total return for the 1957 clip probably will be between 100 and 101 percent of parity.

I think it is appropriate for the Senate to evaluate the progress which the industry has made during the past 3 years toward expanding production upward so as to provide an annual domestic clip of 300 million pounds of shorn wool. In this connection, I think it well to call to your attention the last paragraph of the



Department of Agriculture's favorable report on S. 2861, which reads as follows:

With regard to the progress being made toward increased production of wool in accord with the intent of the act, sheep numbers and wool production continues at low levels. Shorn wool production in 1957 is estimated at 226 million pounds compared with the 300 million pound goal under the act. The net decline in wool production the last few years has been primarily due to reductions in sheep numbers in Texas and several of the Western States where severe drought conditions prevailed. Due to the nature of the enterprise, year-to-year increases in wool production can be expected to be only gradual even under most favorable conditions.

Concerning the effect of the drought, I would point out that wool production in the Western States for the years 1955, 1956, and 1957, at 112.2, 111.0, and 107.3 million pounds, respectively, was well below the 10-year average—1946-55—for the Western States of 112.8 million pounds.

Other factors not mentioned in the USDA favorable report on the bill, which served to mitigate the effect an incentive payment program normally would have upon productions, include these: First, when the Wool Act of 1954 became effective, the Commodity Credit Corporation had some 150 million pounds of wool in its inventories. This served to depress market prices which made growers move cautiously in the direction of increasing sheep numbers. Second, this effect upon domestic production was reinforced by the then low prevailing world price for wool.

On the other hand, several things have occurred recently which in my opinion point to much better prospects for gradually increasing domestic production to an annual clip of 300 million pounds—that is, if the incentive provided by the National Wool Act are extended to growers. First, the drought has been broken; the western range conditions are the best in several years.

Second, there is some indication that a buildup of flock and herd numbers is beginning to take place and that shorn wool production, although sheep and lamb prices in 1958 may not average much differently than those in 1957, will be up somewhat in 1958. For example, the Department of Agriculture reported in the March 1958 Wool Situation Report that—

An increase in shorn wool production appears to be in prospect this year. The number of stock sheep and lambs on January 1 of this year, 27.4 million head, was 3 percent larger than a year earlier and the largest since January 1, 1953. \* \* \*

The number of ewe lambs was up 16 percent. Ewes 1 year old and older increased 1 percent.

Stock sheep numbers in the 11 Western States, Texas, and South Dakota increased 3 percent, the first gain in 6 years. \* \* \* These 13 States accounted for 65 percent of the total number of stock sheep. Inventories were up in 8 of these States. Stock sheep in Texas, the leading sheep State, increased 5 percent. Range conditions in most areas in the West last year were the best of several years.

Stock sheep numbers continued to increase in the native sheep States, where they were up 4 percent from a year earlier

and 28 percent from January 1, 1950. January 1 inventories in 21 of the 35 native sheep States were up from a year earlier (p. 10).

Third, only a few months ago the Commodity Credit Corporation disposed of the last pound of its wool stocks, which were acquired under the nonrecourse loan program prior to passage of the National Wool Act of 1954.

There are, however, several problems which may prevent realization of the congressionally expressed goal of getting an annual domestic clip of 300 million pounds, unless the Congress takes appropriate steps to remedy them. First is the need to insure that adequate funds will be available to make incentive payments to growers.

There is some doubt that the present method of providing these funds will be sufficient in the years immediately ahead, as the following portion of the United States Department of Agriculture's report on the bill before us implies:

Under the act, the total payments are limited to 70 percent of the specific duties collected on wool and wool manufactures since January 1, 1953. These amounts have ranged from 25 to 35 million dollars a year—\$28 million last year. Through March 1957, which includes the years 1953 and 1954 plus the first 2 years of the new program, the total was \$128 million. Payments totaled approximately \$58 million the first year and around \$53 million the second. Deducting these \$111 million in payments from the amounts available for payments, leaves a \$17 million balance for the current and later years to cover payments in excess of duty collections.

For this reason, the Agriculture Committee has amended the bill so as, first, to authorize "the appropriation of such additional sums as may be necessary to carry out the purposes of the act"; and, second, to "repeal the proviso which limits total payments under the act to 70 percent of the specific duties on wool and wool manufactures"—report, page 2.

I realize there has been some objection to the self-help promotional program authorized by section 708 of the National Wool Act. This criticism seems to come mainly from those people who prefer a program of publicity, research, and information conducted on a national basis for all meat products by one organization.

I interpolate here in the text of my remarks that certain organizations, notably the Farm Bureau and the Wool Growers Association in my State are very closely related. As a matter of fact, most of the woolgrowers, I understand are now members of the Farm Bureau. It is the Farm Bureau which has the overall program of publicity for all kinds of meat products.

The sheep industry, however, seems to feel that such an approach, as far as it is concerned, is and would be inadequate, since sheep are dual-purpose animals, whose major products, wool and lamb, require an entirely different promotional effort than do other forms of livestock. That is a very convincing argument, so far as I am concerned.

In this connection, also, I want to point out that the American Sheep Producers Council, the promotion organization authorized to carry out the

approved program, has been handicapped in its efforts to increase wool and lamb consumption at better prices to growers by the drought, which caused heavy marketing of cattle, as well as sheep and lambs, and resulted in lower returns to growers. To date the administrative costs incurred by the council have been modest. Through May 1958, they amounted to only 5 percent of total disbursements of \$3.3 million. As of the same date, receipts in excess of disbursements are slightly in excess of \$3 million as well. In my opinion section 708 should remain as part of the National Wool Act.

#### REFERENDUM PROVISIONS UNDER SECTION 708

Section 708 of the National Wool Act of 1954 provides a method for growers to organize and conduct advertising and sales promotion programs for the industry's products and the financing of such programs by deductions from their payments. It thus permits growers to use their own money in efforts to increase the demand for and the returns from lamb and wool in the free market and thereby reduce the amount of payments from the Government to accomplish the objectives of the act. It is all in the interest of promoting the use of wool and lamb, the two products which come from this operation. As sales increase, the need for calling upon the fund from which the incentive payments are made will become less. Thus the growers will be permitted to use their own money in efforts to increase the demand for lamb and wool, and thereby help to reduce the amount of the payments, as I have already indicated.

Soon after passage of the act, growers and grower groups organized the American Sheep Producers Council to conduct advertising and sales promotion programs for lamb and wool. Growers, in a referendum held in 1955, approved deductions of not to exceed 1 cent a pound from incentive payments on shorn wool and not to exceed 5 cents per hundred-weight from the payments on unshorn lambs for financing the advertising and sales promotion programs. Upon extension of the National Wool Act, it is planned that the Secretary will hold another referendum to determine the continued willingness of growers to use a portion of their payments to conduct advertising and sales promotion of their products.

Over 67,000 growers, or more than 20 percent, voted in the referendum in 1955. The sheep represented by their vote aggregated 13 million head, or nearly 50 percent of the total number of stock sheep and lambs in the United States. Since the deductions from the payments for advertising and sales promotion are related to the volume of production, it was announced that the outcome of the referendum would be based on the number of sheep owned by the growers voting rather than the number of growers. As it turned out, there was close correlation between the number of growers balloting and the vote on the basis of sheep numbers, 71.27 percent of the number of growers and 71.98 percent of the sheep repre-



sented being for approval. I am referring to the way it worked the first time. That is the program which ought to be adopted; not a restricted program requiring a heavier percentage, and that sort of thing.

In such a referendum, every effort is made to conduct it in a manner that will obtain the largest possible participation of growers. Wide publicity is given to encourage growers to vote. All growers, therefore, have knowledge of the referendum and the opportunity to vote one way or another if they have sufficient interest to do so.

There would be no advantage in requiring that a minimum percentage of growers vote in a referendum for the results to be conclusive. As a matter of fact, such a requirement could work to disadvantage and serve to increase the work and expense of conducting a referendum. Because of the large number of farms and ranches with only a few sheep each, there would be many growers who will not take the time to vote. It is doubtful whether many of them will vote regardless of the effort made to get them interested.

The reason for that is that they will not receive very much in the way of actual dollars for their own benefit because of the small production they have. For that reason they are not likely to give up their work and spend considerable time in the voting procedure. With about 80 percent of the growers actually producing a small percentage of the wool and lamb, of course, the larger growers, who have greater interests and who produce very heavily, will be the ones most vitally interested, and they will vote. But, the small sheep owners will not take the time and trouble to vote. At most, it will be very difficult for them to meet the requirements of the amendment which has been offered by my colleague from the State of Utah [Mr. BENNETT].

Furthermore, the requirement that two-thirds of those voting be in favor for approval serves to protect those who do not vote. There must be 2 votes in favor to offset each 1 voting against and the requirement of such a majority serves as a safeguard for those not voting at all.

A requirement that a certain percentage must vote in a referendum for the vote to be considered an expression of the opinion of the producers would not be consistent with the general method of popular voting. In all of our popular elections, only those who vote decide the issue.

I should like to point out that in bond referendums, held practically everywhere in the United States, when the people are favorable to a bond issue, there is usually a light vote. There has never been any question of the efficacy of that kind of voting. So far as I know, there is no requirement in most States—certainly not in my own State—that a certain percentage of voters must vote on a bond issue. Sometimes a bond issue is adopted by a very small percentage of

the total vote, perhaps as small as 10 percent of the total vote. We have not found that that procedure has been disastrous, or that it is not the right kind of procedure in the case of bond referendums. Huge sums of money are authorized to be borrowed, and the security of the taxpayers is put up. I cannot understand why in an activity of this kind such stiff requirements should be provided.

I have the feeling that the wool growers themselves ought to have more voice than anyone else in this matter, because they are the owners who will have a deduction made from their income to pay for the program.

While I am a member of the Farm Bureau and some other organizations which wish to impose restrictions, or insist that a certain percentage of the sheepowners must vote, I feel that in this instance the amendments are not practical. It is an unnecessary requirement. As a matter of fact, I believe it is unfair to the wool growers and the lamb growers of the country. For that reason I am opposed to the amendment.

From a practical operating standpoint, the determination as to whether a proposed agreement under section 708 should be made effective should be left to the administrative discretion of the Secretary. If he feels that the number voting or the volume of production represented in a referendum has not been adequate due to lack of producer interest, or if there are other factors indicating that the agreement should not be made effective, the Secretary should have latitude to determine that the agreement should not be made effective. In such cases, the Secretary should be counted upon to use his best discretion in the interest of the producers and the general public.

With the long period of successful operation under the referendum provisions of the type which are now in the Agricultural Marketing Agreement Act of 1937, as amended, the National Wool Act of 1954 should be extended without any change in section 708. Any change in that language might influence attempts to make changes in the referendum provisions of the Agricultural Marketing Agreement Act for which there appears to be no need and would only serve to disturb the so far successful operation of that act.

Mr. President, I have received numerous telegrams and letters from the people of my State, from the Governor of the State, from many of the county commissions of the 29 counties of Utah, from interested business groups and Chambers of Commerce, from the Utah Wool Growers Association, and from many of the wool growers themselves.

I ask unanimous consent that these communications be printed at this point in the RECORD.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

SALT LAKE CITY, UTAH, July 17, 1958.

HON. ARTHUR V. WATKINS,  
United States Senate, Senate Office  
Building, Washington, D. C.:

Urge your support of wool bill. Sheepmen want it. I believe it is vital to economy of State and Nation.

GEORGE D. CLYDE, Governor of Utah.

SALT LAKE CITY, UTAH.

HON. ARTHUR V. WATKINS,  
United States Senate, Senate Office  
Building, Washington, D. C.:

Sheepmen of Utah are very much concerned over attacks on extension of Wool Act. This legislation is vital to the Utah sheep industry. I again urge that you do everything possible to secure passage of legislation extending this act during this session of Congress.

GEORGE D. CLYDE,  
Governor of Utah.

#### EXHIBIT 1

STATE OF UTAH,  
OFFICE OF THE GOVERNOR,  
Salt Lake City, January 17, 1958.

HON. ARTHUR V. WATKINS,  
Member of Congress, Senate Office  
Building, Washington, D. C.

DEAR SENATOR WATKINS: I have recently reviewed the report to Congress from the American sheep industry. I have long been aware of the problems of the sheepmen in Utah and have watched with interest the effect of the incentive-payment program provided by the National Wool Act. I am sure it has been helpful to the sheep and wool industry. It has brought stability to the industry and in many cases prevented the liquidation of longtime sheep operators. The sheep and wool industry is not entirely out of the woods, but it is improving. I believe an extension of the National Wool Act is essential to continued improvement and stability of this industry.

Sincerely,

GEORGE D. CLYDE.

(Copy to Mr. James A. Hooper, Utah Wool Growers Association, Salt Lake City, Utah.)

#### EXHIBIT 2

THE STATE OF UTAH,  
DEPARTMENT OF AGRICULTURE,  
Salt Lake City, January 29, 1958.

HON. ARTHUR V. WATKINS,  
United States Senator, Senate Office  
Building, Washington, D. C.

DEAR SENATOR WATKINS: We, the Utah State Department of Agriculture, would like to be placed on record at the hearings to be held February 6 and 7 as very much in favor of the continuation of the 1954 Wool Act.

The sheep industry was very much in favor of a protective tariff that would protect the industry from imports of wool coming into this country and sold below the cost of production in the United States.

Inasmuch as it was impossible to get a tariff high enough to protect the industry, the 1954 Wool Act was passed. We feel that the act has saved the sheep industry from bankruptcy.

When foreign wool is allowed to be purchased in this country at prices lower than the cost of production, the sheep industry would be in jeopardy and would result in sheep numbers being reduced to a point where we may find ourselves in a bad position so far as national defense is concerned. We all know that wool is a very important product in times of war; in clothing our soldiers as well as our people at home.

The sheep industry plays an important part in our agricultural economy in the



Western States. The crop can be harvested from many millions of acres of mountain ranges and desert lands by sheep that would otherwise go to waste.

Anything you can do to secure the passage of this bill will be greatly appreciated, as the future of the sheep industry is dependent upon such legislation.

With very best regards,

Yours sincerely,

UTAH STATE DEPARTMENT  
OF AGRICULTURE,  
ALDEN K. BARTON,  
Livestock Commissioner.

(Copies to Senator BENNETT, Representative DAWSON, Representative DIXON.)

WOOL HANDLERS, INC.,

Salt Lake City, Utah, July 16, 1958.

HON. ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR WATKINS: I am taking this liberty of writing you a note regarding the pending Wool Act that hasn't been passed or acted upon up to this time during this session of Congress.

Senator WATKINS, I am not only a wool grower of Utah, but I am in the wool business, covering all of these western States, and I am asking you in all sincerity to get back of this passing of the Wool Act, and have the same acted upon during this session of Congress. If this is not passed, and domestic wool is not supported we can figure that the wool industry, especially in the range States will pass out of the picture. The Wool Act of 1956 is the only thing that has saved the wool growers of the West from having to liquidate their sheep outfits.

As stated above, please do everything possible to have the Wool Act passed during this session of Congress.

Very truly yours,

G. A. HANSON.

UTAH FARM PRODUCTION CREDIT  
ASSOCIATION,

Salt Lake City, Utah, July 18, 1958.

Senator ARTHUR V. WATKINS,  
United States Senate,  
Washington, D. C.

DEAR SENATOR WATKINS: We have just received a letter from Senator BENNETT, informing us of the difficulties encountered in securing passage of the National Wool Act. We have been aware through news in the press of the obstacles encountered but have been hopeful that favorable action would be taken in this session of Congress.

Dealing as we do with many of the sheepmen of Utah, we recognize the necessity for the continuation of the present program. We are grateful to you for your past help on matters pertaining to agriculture and trust that you will do everything possible at this time to assure passage of this important legislation.

Very truly yours,

E. K. WINDER,  
General Manager.

EVANSTON, WYO., July 22, 1958.

ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

Please support National Wool Act. Do everything possible to get this act passed. Very important.

FRANCIS FRAZIER,  
Chairman, Rich County Commission, and a Wool Grower.

EPHRAIM, UTAH, July 21, 1958.

Senators WATKINS and BENNETT,  
Senate Office Building,  
Washington, D. C.:

DEAR SENATORS: We urge continuation of Wool Act sponsoring incentive payments.

We cannot compete with low-cost production foreign wools. Payments no burden to Government, wool tariff takes care of that.

MANTI NATIONAL FOREST WOOL GROWERS ASSOCIATION,  
ADIN NIELSON, President,  
P. C. PEEPERSON, Secretary.

RICHFIELD, UTAH, July 21, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

We feel that the Wool Act which expires with the 1958 session should be extended for another 5-year period. It has been invaluable to the sheep men in stabilizing the industry. We would appreciate any support you could give its extension.

PIUTE COUNTY WOOL GROWERS,  
DOUGLAS Q. CANNON.

SALT LAKE CITY, UTAH, July 17, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

We thank you for your support on request of the sheep industry to extend National Wool Act and urge that you do all you possibly can to get extension passed before adjournment of Congress.

Sheep industry in precarious position and without the extension of the Wool Act it could be very serious.

UTAH LIVESTOCK PRODUCTION CREDIT  
ASSOCIATION.

SALT LAKE CITY, UTAH, July 18, 1958.

Senator ARTHUR V. WATKINS,  
Senate Building,  
Washington, D. C.:

Renewal of national Wool Act very vital for the welfare of sheep industry even with incentive help the average outfit is only realizing very nominal return on its investment. It is my judgment that without incentive help for wool liquidation of a large number of sheep outfits will be necessary.

I. H. JACOB,  
President, Producers Livestock Loan Co.

SALT LAKE CITY, UTAH, July 18, 1958.

HON. ARTHUR V. WATKINS,  
United States Senate,  
Washington, D. C.:

We strongly urge you support S. 2861 extending national Wool Act. Feel extremely important this legislation be passed this session to prevent collapse of wool industry in Utah and surrounding States.

GEORGE S. ECCLES,  
President, First Security Corp.

CEDAR CITY, UTAH, July 18, 1958.

HON. ARTHUR V. WATKINS,  
United States Senate,  
Washington, D. C.:

Due to the low price of wool at the market place, I feel it is imperative that Congress renew the Wool Act, in order that the grower might have a chance to stay in business, therefore, I sincerely urge that you do everything you can to get this legislation through Congress this session.

CARLOS JONES.

CEDAR CITY, UTAH, July 18, 1958.

HON. ARTHUR V. WATKINS,  
United States Senate,  
Washington, D. C.:

We urge you to do everything possible to get the Wool Act extended this session of Congress. We cannot jeopardize our industry and the advertising and promotion program now so well started by taking a chance with a later session action favorably on this bill.

ALEX WILLIAMS.

CEDAR CITY, UTAH, July 18, 1958.

HON. ARTHUR V. WATKINS,  
United States Senate,  
Washington, D. C.:

Word has come Congress may not act on extension of Wool Act before adjournment. Sheepmen feel we cannot survive without this program. Much progress in the promotion and advertising activities would be lost if this act is not extended. Urge you to do all possible for extension now.

L. N. JONES.

SALT LAKE CITY, UTAH, July 17, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

Thanks for recent letter promising support, but fearful Congress will adjourn without extension of Wool Act so vital to Utah and the West. Please spend every possible effort to get Senate passage this bill at once.

KEN GARFF,  
DAVID FREED,  
DAVID A. ROBINSON,  
MILO S. FARSDEN,

Deseret Livestock Co. with 200 Stockholders.

CEDAR CITY, UTAH, July 21, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

As director of the Utah Wool Growers, I urge you to make every effort to bring to the Senate floor and support extension of National Wool Act.

WENDAL JONES.

WOODS CROSS, UTAH, July 21, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

We are an old established sheep and cattle company in the fourth generation raising over 1 million pounds lamb and one-quarter million pounds beef each year. Without the wool incentive in 1957 our company would have made less than 3 percent on its investment. If the wool industry in the West is to survive we must have an extension of the National Wool Act.

HATCH BROS. CO.

MONTICELLO, UTAH, July 21, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

DEAR SENATOR: Please use every means available to see bill to extend Wool Act is passed this session Congress. This bill vital to Utah sheep industry.

A. JAY REDD.

MOUNT PLEASANT, UTAH, July 21, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

Do all you can to renew Wool Act. It has been a lifesaver to the wool growers.

JENSEN BROS. INC.

SPRING CITY, UTAH.

MANTI, UTAH, July 21, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

Wool Act passage this session absolutely necessary. Sheep men need this bill. San Pete County best industry. Sheep are off 80 percent from the thirties.

WILFORD WINTCH.

MANTI, UTAH, July 21, 1958.

Senator ARTHUR WATKINS,  
Senate Office Building,  
Washington, D. C.:

Push National Wool Act with every effort at your command.

ARTHUR H. NELL.



KAYSVILLE, UTAH.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

We strongly urge that section 708 of National Wool Act be left intact without restrictive amendments as proposed by Farm Bureau.

Mrs. THORNTON K. SWAN,  
President, Utah Wool Growers  
Auxiliary.

Mrs. J. WILLIAM SWAN,  
Chairman, State Make-It-Yourself-  
With-Wool Contest.

MONTICELLO, UTAH, July 22, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

We would like to solicit your full support of passage of National Wool Act in this session of Congress.

SAN JUAN WOOL GROWER,  
LISLE ADAMS, Secretary.

WASHINGTON, D. C., July 9, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

Senators YOUNG and MUNDT have announced their intention of offering the bill to extend the National Wool Act as an amendment to S. 4071, the farm bill. The proposed amendment is identical to S. 2861 cosponsored by you and 47 other Senators and as unanimously approved by the Senate Committee on Agriculture. We sincerely hope you will support this proposal. Congressional action is urgent because sheep growing is a longtime enterprise and next year's incentive payment program must be announced this summer or growers and their financing agencies cannot properly plan for even next year's operation. We also sincerely hope you will oppose any crippling or limiting amendments to the Wool Act extension, particularly section 708 under which a successful program is underway to promote lamb and wool at the grower's own expense. The combination of incentive payments and the self-help program has made this act successful and effective. This telegram is sent on behalf of 97 United States sheep organizations as listed in the record of hearings on S. 2861 who have authorized us to speak for them in urging extension of the present Wool Act at this session as vital to the wool-growing industry.

NATIONAL WOOL GROWERS ASSOCIATION,  
EDWIN E. MARSH, Executive Secretary.

SALT LAKE CITY, UTAH, July 17, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

Urge passage vital wool bill. Notify Utah delegation this stand.

UTAH STATE DEPARTMENT OF AGRICULTURE.

EPHRAIM, UTAH, July 23, 1958.

Hon. ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

DEAR SENATOR WATKINS: Any extra effort to expedite passage of Wool Act this session would be appreciated by 40 members of Ephraim Lions Club.

EPHRAIM LIONS CLUB,  
CLIFFORD H. SONDRUP,  
President.

MOUNT PLEASANT, UTAH, July 22, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

We urge you to make every effort to get the National Wool Act passed during this session beyond its present expiration date. You no doubt understand how much this industry

and the individual growers have at stake in this area.

SAN PETE COUNTY COMMISSION,  
A. REEVE NORMAN,  
Member of Commission.

COKEVILLE, WYO., July 22, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

DEAR SENATOR: We are alarmed for the extension of the Wool Act, 1954. Will you do your best for us in this session. We will be able to return the favor in November.

Best wishes,

L. B. JOHNSON.

RANDOLPH, UTAH.

VERNAL, UTAH, July 23, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

We, the members of Uintah Woolgrower Association, consisting of 63 members and operating 100,000 sheep, urgently request that you do all in your power to get the Wool Act passed. The future of the sheep industry vitally depends upon the passage of this bill.

Sincerely,

CLIFFTON MCCOY,  
President, Association.

TREMONTON, UTAH, July 23, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

We, 28 members representing 35,000 sheep, request your influence for the continuance of the National Wool Act. Future of sheepman and the business he supports is at stake as well as the need for meat and wool. In any national emergency your last pitch effort to extend this act is imperative to economy of the sheep business.

CACH FOREST WOOL GROWERS,  
BILL GORING, President.

LOGAN, UTAH.

EPHRAIM, UTAH, July 23, 1958.

Senators WATKINS and BENNETT,  
Senate Office Building,  
Washington, D. C.:

Request your immediate support in continuation of Wool Act program.

JOHN ARMSTRONG & SONS, INC.,  
CURTIS ARMSTRONG, President.

BLANDING, UTAH, July 23, 1958.

Hon. ARTHUR V. WATKINS,  
United States Senate,  
Washington, D. C.:

Request your assistance in getting National Wool Act extended.

REED BAYLES,  
Jones Bros. Sheep Co.  
(By Vincent Jones).

PRICE, UTAH, July 23, 1958.

Hon. ARTHUR V. WATKINS,  
United States Senate,  
Senate Office Building,  
Washington, D. C.:

We urge you to exercise your utmost efforts for the renewal of the present Wool Act which is to expire at the end of 1958.

The loss of the incentive payment on wool would surely doom the sheep industry in the Western United States. It must be renewed at this session of Congress if we are to survive in the face of foreign competition.

Very truly yours,

LEON MOYNIER.

PRICE, UTAH, July 23, 1958.

Hon. ARTHUR V. WATKINS,  
United States Senate,  
Senate Office Building,  
Washington, D. C.:

We urge you to exercise your utmost efforts for the renewal of the present Wool Act which is to expire at the end of 1958.

The loss of the incentive payment on wool would surely doom the sheep industry in the Western United States. It must be renewed at this session of Congress if we are to survive in the face of foreign competition.

Very truly yours,

WILLIAM MARSING.

PRICE, UTAH, July 23, 1958.

Hon. ARTHUR V. WATKINS,  
United States Senate,  
Senate Office Building,  
Washington, D. C.:

We urge you to exercise your utmost efforts for the renewal of the present Wool Act which is to expire at the end of 1958.

The loss of the incentive payment on wool would surely doom the sheep industry in the Western United States. It must be renewed at this session of Congress if we are to survive in the face of foreign competition.

Very truly yours,

ORSON L. MARSING.

MOUNT PLEASANT, UTAH, July 23, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

DEAR SENATOR: The sheep business cannot exist without a substantial income from wool. This product is a vital national asset and should not be allowed to deteriorate or be lost. Your interest in extension in this incentive program is appreciated. Please use every effort to have it continued.

JOHN K. MADSEN,  
Rambouillet Farms, Inc.

MOUNT PLEASANT, UTAH, July 23, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

DEAR SENATOR: The wool incentive program is the best means yet devised to protect this domestic industry against foreign competition. Sheep men cannot stay in business without it. Your utmost effort for its extension at this session of Congress is strongly urged and will be greatly appreciated.

JOHN S. MCALLISTER,  
Manager, Fairview Land and Livestock.

PRICE, UTAH, July 23, 1958.

Hon. ARTHUR V. WATKINS,  
United States Senate,  
Senate Office Building,  
Washington, D. C.:

We urge you to exercise your utmost efforts for the renewal of the present Wool Act which is to expire at the end of 1958.

The loss of the incentive payment on wool would surely doom the sheep industry in the western United States. It must be renewed at this session of Congress if we are to survive in the face of foreign competition.

Very truly yours,

LEON MOYNIER,  
President, Carbon County Woolgrowers.

OGDEN, UTAH, July 23, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

I would like to see action taken on the Wool Act before Congress adjourns.

KENNETH BRYAN.

PRICE, UTAH, July 23, 1958.

Hon. ARTHUR V. WATKINS,  
United States Senate,  
Senate Office Building,  
Washington, D. C.:

We urge you to exercise your utmost efforts for the renewal of the present Wool Act which is to expire at the end of 1958.

The loss of the incentive payment on wool would surely doom the sheep industry in the western United States. It must be renewed,



at this session of Congress if we are to survive in the face of foreign competition.

Very truly yours,

JAY PAGANO.

MORONI, UTAH, July 23, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

Thank you for your efforts to extend the National Wool Act. We feel the survival of our industry depends upon this act. We urgently request you get bill for extension on floor before Congress adjourns.

PHARES NIELSON,  
President, Jericho Wool Growers.

MONTICELLO, UTAH, July 23, 1958.

Senator ARTHUR V. WATKINS,  
Senate Office Building,  
Washington, D. C.:

Bend effort to extend the Wool Act.

BOARD OF SAN JUAN COUNTY  
COMMISSIONERS.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. YOUNG. I listened with great interest to the very thorough discussion of the wool producers' problem by the distinguished senior Senator from Utah. I commend him for his great interest in the farmers, ranchers, and small-business men of the Nation. I have noticed throughout the many years I have served with the senior Senator from Utah that he has been very close to them and has always come to their rescue whenever they needed help.

Mr. WATKINS. I have never been a woolgrower myself, except in a very small way. I think I had, at one time, 25 pet lambs which were picked up on the farm as the sheep herds went by. They were orphan lambs.

But in the course of my practice as a lawyer, I have represented many woolgrowers of my area in mortgage matters when they were in extreme difficulties, operating under the conditions of the Reciprocal Trade Act, I may say. They were having a desperate time to continue in business. I tried to help them solve problems so they could keep out of bankruptcy.

I have felt, over the years, that there would have been far more success, and we would have had no necessity for establishing incentive programs to produce more wool, if we had had the protection of the tariff we once had. But since that has been done away with, and we now have the reciprocal trade program, we do not have sufficient tariff protection.

So it is only fair now that this program be kept in effect. It has been operating successfully since it was first enacted a few years ago. We should keep it in effect. Whatever the cost may be should be charged against the international policies, the so-called foreign-aid program of the United States. It is done in the interest of helping our friends, neighbors, and allies to be prosperous. I think that is the proper place to make the charge. It is a subsidy, in effect, to those people, and not to our own people.

Mr. YOUNG. The Senator does not claim to be a shepherd himself, but he knows their problems.

Mr. WATKINS. I have lived on sheep ranches. I have had much to do with the activities of sheep raising. At one time I came very close to being involved in a sheep feeding operation. Fortunately, I was not too heavily involved, but some of my colleagues were, and they lost heavily in the operation, because of the fact that one can never depend on the market from one year to the next.

Sheep raising is a long-range operation. It requires the purchasing of rangelands; it requires the purchasing of equipment; it requires the leasing of Bureau of Land Management areas for winter range, spring range, and fall range. Then it is necessary to get forest permits for summer range. The Department of Agriculture and Forest Service begin to make cuts and then further cuts. Business begins to dwindle, and one does not know whether he will be able to remain in business.

Sheep raisers have all those difficulties to contend with. They are some of the reasons, in addition to the others I mentioned earlier this evening, why the sheep industry has had a difficult time in the past 25 years.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. THYE. I commend the distinguished senior Senator from Utah for his most intelligent and enlightening statement on the problems of the wool producer and the sheep owner. It is a type of business which is hazardous in every conceivable manner, both in the care of the lamb at lambing time, the handling of the sheep, and the protection against the many diseases with which the flock can be infected. Sheep raising is a highly skilled and hazardous profession.

Unless we give it some protection, such as is proposed in the bill, it will not be possible to continue to produce sheep and wool in sufficient quantities. Wool, of course, is a strategic material in the economy of the entire Nation.

I commend the distinguished Senator from Utah, not only for his courageous stand on the question, including what he proposes and opposes, but also for his intelligence in outlining to us the need for effective legislation.

Mr. WATKINS. I thank the Senator from Minnesota for his very gracious remarks. I may say, once again, that I think we should not put restrictions on the program for voting in the referendum to determine whether a deduction should be made for a sales promotion program. To me, such a program is very important.

I know that many persons do not know the value of lamb as a food. I myself have had occasion to do the family shopping. I have gone into the markets of this area and have found that lamb is not generally carried in stock.

I have said to the wool growers of my State, "You are in difficulty. Why not get busy and tell the people of the country about your lamb product and about wool. Don't let the synthetics take over your wool market. Do not let other

meats crowd out the use of lamb. There is a place for all these products."

In the turkey industry, for instance, which is getting to be one of the really big industries in the agricultural field, it was found necessary to devise a program which would require an agreement or an arrangement to be approved by the vote of the turkey producers, whereby sums could be deducted from the sales of their products, so that the industry could be promoted.

It seems to me that we should encourage that type of program in this field, rather than discourage it. We should not place impediments in its way.

I hope the National Farm Bureau Federation, my own local Farm Bureau, and other similar organizations, will do everything they can to promote this type of program. I understand those organizations favor it, but there seems to be some difference of opinion between the wool growers and the National Farm Bureau Federation as to the method of conducting a referendum.

The 6 days for voting which have been mentioned in the amendment offered would be completely impractical, because of the very nature of the sheep growing industry, particularly in the Western States. There ought not to be a requirement for a certain percentage of the small farms throughout the United States to participate in the referendum. The referendum could be conducted in such a way as to be fair to all, and without requiring such a heavy percentage.

Mr. President, I hope the amendment offered by the Senator from North Dakota, without any crippling amendments added to it, will be adopted.

Mr. ANDERSON. Mr. President, I hope the Young amendment to include the wool bill will be adopted. I shall speak briefly about the amendment, and then shall speak generally about the farm bill itself.

It happens that the wool bill, which has been offered as the Young amendment, has had long and distinguished sponsoring by a good many groups. I hope the Senate will adopt it because the wool situation is quite different from that of many of the other agricultural situations throughout the country.

When the agricultural output of an area is only a small portion of the world output, and the world output is about ready to drop onto our shores at bargain prices, it becomes important that something be done to protect the prices of the domestic industry.

I hope all Members of the Senate will vote for the Young amendment, which will add the wool bill to the farm bill, even though I am not too enthusiastic about all sections of the pending farm bill.

The wool bill was carefully considered as far back as 1946; and the following year it was presented by the Senator from Wyoming [Mr. O'MAHONEY]—not in a form identical to that of the pending amendment, but substantially the same. I believe that the 1954 or 1955 extension of the wool act was added to the farm bill on my motion.



Therefore, I believe it proper for the wool bill to be included as an amendment to the pending farm bill, so the wool farmers will be told that the Congress intends them to have this much support.

Mr. President, I intend to address myself to a few phases of the farm program, and to suggest that the pending farm bill will not solve all our agricultural problems, and that it might be well for us to consider the possibility of handling these matters one at a time, by means of separate bills, in the hope of obtaining the enactment of sounder legislation than that likely to be obtained by combining only a sufficient number of provisions to make it possible for a farm bill to be reported from committee.

In fact, if a few more votes had been needed in the committee, probably the bill would now include a provision in regard to soybeans. But in the committee there were just enough votes to report the bill; it was reported by a vote of 8 to 7. However, I suggest that that is not the best way to proceed.

Wheat and tobacco are encountering difficulty at the present time. I hope that, in time, Congress will be in a position to deal with these agricultural commodities a little more definitely than the way in which I believe it is dealing with them in the pending bill.

I realize the great difficulties involved. I have sat—as have the able Senator from Vermont [Mr. Aiken] and the able Senator from North Dakota [Mr. Young]—in conference after conference in which the Senate's position was sustained for a long, long time, although the position taken by the House was completely opposite; and many times such positions by the Senate have finally been enacted into law. In fact, I may say that, only a few years ago, the wool bill which was enacted into law contained some provisions which the House of Representatives did not favor. On the other hand, in conference it is not always possible, of course, to sustain the position voted by the Senate and reject the position voted by the House. So I do not blame my colleagues for not always achieving everything they set out to achieve.

I was very much interested in an article entitled "We Are in a Mess With Our Wheat," which was published in the July-August 1958 issue of *Nation's Agriculture*, the official publication of the American Farm Bureau Federation.

Let me say that I regretted that earlier in the session today reference was made to a publication in which the Secretary of Agriculture, Mr. Benson, was quoted as referring to leftist groups as those who oppose enactment of the pending bill. I have not talked to the Secretary of Agriculture about that matter; but I believe he was not referring to Members of Congress, for I do not believe the Secretary of Agriculture regards any Members of Congress, even those who may be opposed to the policies he favors, as being members of leftist groups.

So I believe the reference to which attention was called earlier in the session today, in connection with the debate on the farm bill, was an unfortunate one.

In the current edition of the official publication of the American Farm Bureau Federation, we find the article I have mentioned, which reads, in part, as follows:

Some may have been fooled into thinking the present program—

That is to say, the present program in regard to wheat—

was working because the carryover was whittled down by 125 million bushels in 1956-57.

A little farther along in the article, we find the following:

As a result of this combination of circumstances, the United States captured 43 percent of the entire world trade in wheat, in the record year for international trade.

But the tide is now running the other way. The experts figure that domestic uses during 1957-58 will fall 16 million bushels below the earlier estimates. Exports may be 50 million bushels less than forecast and almost 200 million bushels less than last year.

I believe that is of a great deal of interest to the Congress.

The new leader of the Canadian Government has suggested that he does not view kindly the possibility that the United States may be dumping wheat in markets all over the world; and that fact may mean something to wheat farmers throughout the United States.

In the article we also find the following:

The billion-bushel winter wheat crop expected this year was produced with the national wheat allotment at the legal minimum and with 5.3 million allotted acres in the soil bank.

If that allotment is not applied in future years, we may accumulate a still larger surplus.

The article also points out something to which I think we need to pay some attention, namely:

Here is another proof that acreage controls and quotas just won't work.

Over the last 5 years, yields per acre have increased at an average rate of 1.3 bushels annually.

Average yields of the last 3 years have been 50 percent greater than the 1935-39 average.

With the increased yields of recent years, the 55 million acre national allotment—when viewed from the production standpoint—is actually 50 percent greater than in 1939 when the minimum allotment was established.

In other words, the 55-million allotment today is equal to about 82 million 1939 acres.

Mr. President, 82 million acres of wheat were all right in 1941 and 1942, when the other nations of the world were looking to the United States for food. We could even sustain a crop of that size in 1946, and perhaps in 1947, while the agriculture of other nations was getting on its feet—and when, in fact, agriculture in all parts of the world was getting on its feet.

But the present-day equivalent of 82 million acres in 1941 and 1942—namely, 55 million acres of wheat—is far too much for us to have in the years 1957 and 1958.

I think these figures tend to indicate that a farm bill which deals with only 2 or 3 commodities, is not all it should be. An omnibus farm bill should deal

with a great many agricultural commodities—although I would prefer to have the agricultural commodities dealt with 1 by 1, by means of separate bills, and in that way try hard to have the legislative provisions for the individual commodities stand on their own feet.

Mr. CARLSON. Mr. President, will the Senator from New Mexico yield to me?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from New Mexico yield to the Senator from Kansas?

Mr. ANDERSON. I yield.

Mr. CARLSON. I appreciate the fine statement the Senator from New Mexico is making in regard to wheat. I intend to discuss the subject rather briefly in connection with the pending bill, although I shall not submit amendments in that connection.

But I was pleased to hear the Senator from New Mexico say that the Nation has a wheat problem.

Mr. ANDERSON. It has, for there is on hand a 4-year supply of wheat.

Mr. CARLSON. There is no question about that.

This year the United States probably will export 575 million bushels of wheat. Next year the United States probably will be lucky to export 375 million bushels.

So I have been very much pleased to have the distinguished Senator from New Mexico discuss this matter; I can think of no one whom I would prefer to have discuss proposed wheat legislation.

Mr. ANDERSON. I thank the Senator from Kansas.

There are in the Senate Chamber this evening some Members who are very devoted friends of wheat farming; I refer, among others, to the Senator from Kansas [Mr. CARLSON] and the Senator from Minnesota [Mr. THYE].

I merely say that when we come to consider a general farm bill, it is extremely difficult to patch together adequate provisions for all agricultural commodities.

I may be wrong, but I believe we probably shall never have an omnibus farm bill which will include, with any success, provisions dealing with all agricultural commodities. So the day may come when Congress will feel bold enough to tackle this problem commodity by commodity, by means of separate bills. When that day comes, I shall be very happy to support the attempt of the able Senator from Kansas to secure the enactment of some good wheat legislation.

Mr. CARLSON. I thank the Senator from New Mexico.

Mr. THYE. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. THYE. I am happy to join the Senator from Kansas [Mr. CARLSON] in paying tribute to the distinguished Senator from New Mexico [Mr. ANDERSON], formerly a distinguished Secretary of Agriculture, because he understands these problems. Not only is he a student of them, but his knowledge of them is all the broader because of the fact that he has been an operator in that field.



Let me say that, over the weekend, I was in Minnesota. For the past few days the wheat combines have been at work on the farms in Minnesota; and the elevators are paying \$1.71 a bushel for the wheat. So we can imagine the problem with which the wheat farmer is faced, when the wheat is piling up, and when a 4 years' supply already is on hand, and when \$1.71 a bushel is now being offered for wheat. If it were not for some kind of support, I do not know where the price of wheat would be today, in view of the fact that the wheat combines are in operation all the way from the panhandle of Texas to the Northwestern States.

Today, the situation is far different from the situation in the old days, when the threshing machines had a 60-day to 90-day run, with the result that the wheat would trickle in from the Southwest, and then would trickle in from the Northwest.

But, today, in 1 week the entire wheat crop from Kansas comes in, and the entire wheat crop from Oklahoma comes in, and the entire wheat crop from the Dakotas comes in.

So if it were not for the floors in the support price, I do not know where we would be so far as the wheat market is concerned. But I come back to the question. Wheat was selling for \$1.71 at the Minnesota elevators as of last Monday morning. We need to do something with regard to wheat before many months go by, because we cannot continue to pile up wheat in the manner in which we are piling it up. We are trying to develop a market for wheat under Public Law 480, but we cannot continue to fill our warehouses as we are doing. We are going to have to take a cold, hard, intelligent look at this question before many months go by. Otherwise the farm economy will be shattered on the rocks.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from North Dakota.

Mr. YOUNG. I wish to commend the Senator from New Mexico for his analysis of the wheat situation. For the past 4 years, under quotas, wheat production dropped from 1,450,000,000 bushels to 950 million bushels. This year there will be a production of about 1,400,000,000 bushels. Quotas are breaking down. Either we are going to have to make quotas work or eliminate them. As the Senator from New Mexico has pointed out, farmers can grow and sell up to 15 acres of wheat without penalty. There are other reasons for this increase in wheat production: There are new varieties of wheat which bring higher yields; we have improved methods of farming; and increased use of fertilizer have greatly increased wheat production.

I think the main reason why the committee did not consider wheat at the present time was that there was a wide difference of opinion on how to deal with the problem. I think we shall need the assistance of the Senator from New Mexico in devising a better wheat program next year.

Mr. ANDERSON. I want to suggest to the Senator from North Dakota, and I hope the Senator from Mississippi will hear the next few words I say, that perhaps the cotton producers can take a lesson from the wheat producers. As the Senator from North Dakota will recall, when the amendment was proposed to allow farmers to grow wheat on 15 acres, without penalty, and statistics were introduced to show that it would not cause any great trouble, that only a tiny bit of wheat would be produced under the provision, and that only a few farmers would be permitted a few acres, I had words to say about the proposal. I said it would open the door. The bill was passed. The provision with respect to the 15 acres was enacted.

Now the proposal is being made that there be a similar arrangement with respect to 10 acres planted to cotton. It is said it is a minimum, that only a few acres of cotton are involved, only 300,000 acres, and that just a little bit of additional cotton will be produced. Somehow, ways will be found to carve up cotton fields, and pretty soon there will be a whole new crop of farmers who will have 10 acres of cotton. That may not be a serious problem where production is 400 pounds to the acre, but a week ago tonight I was standing in a field of the finest cotton I had ever looked at. That particular farm last year had 21,000 acres of cotton, and the owner marketed 75,000 bales of it. About \$15 million was realized from that farm.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. Yes.

Mr. EASTLAND. That farmer produced, on 21,000 acres, 75,000 bales of cotton.

Mr. ANDERSON. Yes; he did.

Mr. EASTLAND. He made a lot of money.

Mr. ANDERSON. Yes; he did.

Mr. EASTLAND. Yet the Senator would deny a minimum acreage allotment of 10 acres, which amounts to only a fraction of 1 percent of our national allotment, but which would enable hundreds of thousands of small farmers to live.

Mr. ANDERSON. It is the same story which was told with respect to wheat. It is said that only a few acres will take care of a few people. Let me read from this publication. I am sorry I have to depend on what the American Farm Bureau Federation carries in its publication. I have not had time in the last few weeks to devote myself to farm statistics.

Mr. EASTLAND. Mr. President, will the Senator yield for another question before he reads from the article?

Mr. ANDERSON. Yes.

Mr. EASTLAND. The Senator from New Mexico has a very distinguished record. I think he knows I hold him in the very highest regard. I consider him to be a man of tremendous ability. I think he is sincere. I think he is conscientious. I know of no Member of this body who holds the Senator from New Mexico in higher regard than I do. The Senator from New Mexico is opposed to this bill, is he not?

Mr. ANDERSON. Yes; I think it would be safe to say I am opposed to this bill.

Mr. EASTLAND. The Senator would offer amendments or motions that would kill the bill—

Mr. ANDERSON. Well, I have not—

Mr. EASTLAND. Let me finish my question. Because the Senator is sincerely and honestly opposed to the enactment of this bill.

Mr. ANDERSON. Let me say to the able Senator from Mississippi that I have not offered any amendments. I have not taken any part in the offering of any amendments. I have felt, and I still feel, that a better job could be done with an agricultural bill than has been done with this one. I am willing to concede in advance that it is most difficult to prepare such a bill. I say the innocent little proposals which are made, for 10 acres here and there, may lead to trouble.

The Senator from North Dakota [Mr. Young] and I had an extended discussion in the Committee on Agriculture and Forestry about the 15-acre question when it came up. Neither one of us had figures to prove it, but both of us definitely felt it might lead to difficulties. What did it lead to? In 1957 the 15-acre exemption, which was only to affect a few acres, was used by 620,000 growers, including 230,000 who did not have an acre of wheat in their allotment.

I say that runs into a very, very substantial acreage, and a very, very substantial production.

One of the reasons why we have a 4-year supply of wheat on hand, and cannot possibly curb it, is that we have allowed a group of farmers to plant to 15 acres whether they had allotments or not. If we are to have controls, they should be real controls; we cannot have loopholes. A 10-acre loophole in cotton acreage will in time lead to as bad a situation with reference to cotton as we now have with reference to wheat.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the chairman of the committee.

Mr. ELLENDER. I should like to point out to the Senator from New Mexico that the 15 acre minimum for wheat farmers is not to be compared with the provision in the farm bill currently before the Senate. What we are trying to do in this bill is simply provide that all cotton farmers who planted 10 acres or less in 1958 shall not lose any acreage next year. In other words, if a cotton farmer had 10 acres this year, he will continue to get 10 acres. If he planted 7 acres he will continue to get 7; he will not get 10 acres. The purpose of this portion of the bill is to permit the cotton farmer who plants 10 acres on down to as little as 1½ acres, to be granted the right to plant the same acreage next year and the year after that, as he planted this year.

The purpose of the provision is not to hand out to each cotton farmer a minimum of 10 acres, in the same manner as every wheat farmer was provided with a minimum of 15 acres, but to allow cotton farmers who are now planting on 10 acres or less, the right to plant



exactly the same acreage next year. That is all the proposal does. There is no absolute minimum acreage allowance that all cotton farmers will receive. Instead every cotton farmer in the Nation who planted 10 acres or less of cotton this year will be given exactly the same amount of cotton acreage next year. The purpose of this measure is simply to make sure that cotton acreage cuts are not put upon the shoulders of those who can least afford it—the small family cotton farmer who tills 10 acres or less.

Mr. ANDERSON. Let me say to the Senator, who has stated the situation correctly, that some persons have scars in their systems from the fights they have gone through. There was a time when farmers who were planting tobacco objected to the reduction they were going to get in acreage. A minimum was provided below which the farmer could not be reduced. That minimum, as I remember it, was something like four-tenths of an acre. It looked fairly innocent. What did we do? If 40,000 acres of tobacco were taken out of an area and certain farmers could not have their acreage cut, the farmer whose acreage was cut was a large producer, and his acreage was very drastically cut.

Some farmers are cultivating 1,000 acres of cotton. If we apply a minimum-acreage provision, and then reduce a State's allotment down to what is necessary in order to bring the State into balance, it will be necessary to take acreage from all the large producers, from all the successful farmers, and give it to the small farmers. If we were tomorrow to establish a cotton acreage which had some regard for what the market could use, there would be planted about 8 million acres of cotton, and that would cut the acreage in half. Therefore, the total for every State would be cut in half. If we let every farmer have 10 acres, if he had ever planted 10 acres, then the acreage of the large farmers would be reduced by 50 percent, 75 percent, or 80 percent.

That situation always causes people to say, "Look at this program. You are taking the best farmland in our county out of production. Jim Jones is the best cotton producer we have. You are giving this small farmer, who has 10 acres, the full amount, but you are cutting Jim Jones 50 percent or 75 percent."

I will say that is not provided in the bill presently under consideration, but I have seen bills which did so provide.

Mr. ELLENDER. Mr. President, if the Senator will yield, I should like to point out again that such action is not included in the bill under consideration.

Mr. ANDERSON. There is a cut to 16 million acres, which is a reduction of about 1½ million acres.

Mr. ELLENDER. I understand.

Mr. ANDERSON. If that is applied across the board, together with a 10-acre limitation, there will be some very heavy reductions.

Mr. ELLENDER. No.

Mr. ANDERSON. Then later we will have a bill to consider, as we always do, because people will say, "You cannot do that this year. Next year you can do it,

yes, but you cannot do it this year." So this year we give the extra acreage, and then some more, and then there is accumulated a tremendous supply of cotton in the warehouses once more.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. Mr. President, may I point out to Senators present that the bill under consideration has no provision that would work as the Senator has indicated. Instead, each cotton farmer would be given an allotment on the basis of a national 16 million-acre allotment. However, if the farmer falls into the category of those who planted less than 10 acres this year, then that acreage necessary to bring up his farm to the level of what he planted this year would be taken from an additional 310,000 acres, which is provided under the bill in addition to the national 16-million-acre cotton allotment. This 310,000 acres to take care of the small farmer is a definite total which is specifically spelled out in the bill.

Mr. ANDERSON. Yes.

Mr. ELLENDER. That total of 310,000 acres cannot be increased, unless there is additional legislation.

Mr. ANDERSON. Unfortunately we do not legislate for only 1 year. If there results an accumulation of cotton, then somebody will say, "Let us do something about that next year." Then in the next year we would lower the acreage to 10 million, and down the whole thing would come. The reduction would take place as I have said it would take place.

There is a final example I should like to suggest to the Senate. In one Illinois county in the 1930's there were 126 farmers growing wheat, while last year in the same county there were 1,200. Those farmers could get the 15-acre minimum, and produce in good style.

I am willing to grant that is not the situation with reference to the bill presently under consideration, at all.

Mr. ELLENDER. I am glad the Senator makes that point.

Mr. ANDERSON. I have served too long with the able Senator from Louisiana to try to say that this bill does something it does not do, or to try to mislead anybody as to the contents of the bill. I merely point out that there are some bad influences which could come into being. I recognize the difficulties involved in getting the bill reported by the committee, but I recognize that many bad things can happen after the bill has been reported by the committee.

In the New York Times on Tuesday, July 22, there was carried a story under the headline "Big World Grain Surplus Seen as Asians Face Rice Shortage."

There is a great deal of information as to how great a shortage actually exists in certain supplies of grain, yet we are now being tied up by situations which do not let us get rid of a good deal of our products and keep us in a condition which brings criticism of the farm program, which it should not be possible to level at it.

I should like to say a few words about rice. The bill under consideration would fix a national acreage allotment for rice

of 1.6 million acres. The use of 1.6 million acres for rice will generally produce about 49 million hundredweight of rice. We are able to consume about 27 million hundredweight of rice, and we have to export the rest. In normal times export of the rice might not be too difficult. We do have a domestic need, as I say, for a little more than half of what we can produce.

Mr. ELLENDER. I should like to point out that, according to figures supplied me, domestic consumption is approximately 62 percent of production.

Mr. ANDERSON. Perhaps it is 62 percent.

Mr. ELLENDER. My figures show that we consume about 62 percent of our production.

Mr. ANDERSON. I only say that I have figures which start in 1910 and go up to 1957 and 1958. I notice in the years 1956 and 1957 we had about 1.6 million acres or 1.7 million acres of rice production, and there was a production which ran 49 million hundredweight. With 1.6 million acres we might get something like 43 million hundredweight. We use 27 million hundredweight. Perhaps that is 62 percent, but there still remains 38 percent to be exported. This is a time when people around the world do not have too much money with which to buy things. The Government will have to step in and buy a great deal of the rice crop, a great deal of the cotton crop, and a great deal of the wheat crop. I do not believe that is the best thing for us to do.

I am naturally curious as to what is going to be said by those who vote for this bill and who have been voting for 90 percent parity supports. I have heard 90 percent of parity talked about for a long time. I have taken a look at the provision in the bill. Clause (c) on page 4 at line 18 reads:

The Commodity Credit Corporation is directed, during the period beginning August 1, 1959, and ending July 31, 1961, to offer any upland cotton owned by it for sale for unrestricted use at not less than 10 percent above the current level of price support prescribed in choice (B).

It is not necessary to be in the commodity business very long to know that in this instance the same law applies which applies to the question of good and bad money. Bad money always drives out good money. The low-priced cotton always moves into the market, and the high-priced cotton always moves into the loan category. Therefore, the market price of cotton, if there is an 81-percent provision with respect to the supply, will go down 15 points, or down to 66 percent, and the farmers will get perhaps 90 percent of that. By 1961 we will have 59 percent of parity, and by 1962 the support price for cotton will be about 54.6 percent of parity. Where will the people who have been talking about 90 percent of parity be then? They will say, "We talked about the matter. We voted for a bill which brought the support down to 54.6 percent by 1962, but we discussed the matter."

I do not believe this provision will affect the States represented, in part, by the able minority leader, by the Senator from Arizona, and by the Senators who



live in the delta of the Mississippi, and it will not affect the people of my State, perhaps as much as others will be affected. I believe, however, it will be a severe blow to certain areas in the Deep South, where the production cost of cotton uniformly has been far above what it is in other sections.

I recently saw hundreds of acres of penalty cotton. The producer of the penalty cotton was saying, "Yes; I only get 50 percent on the cotton. I have to pay 50-percent penalty, but I will come out on the deal all right. I am not going to plow up one acre of my penalty cotton. I am going to leave all the cotton in, because I can make money." And he can make money, particularly if he has a program of skip-rowing, which we see throughout the West.

Our people can live with the program. We would like to have a history for the cotton, and I think we ought to have a history for the cotton, especially if we have to take a penalty; but we can live with the program.

I hope those who have talked, and talked very loudly about 90 percent of parity will recognize that they are not voting for 90 percent of parity when they vote for the bill under consideration.

I hope the provision the able Senator from Arizona [Mr. HAYDEN] has offered, with reference to extra long staple cotton, will be agreed to. The extra long staple cotton had a move down from 90 percent to 75 percent, and when that cotton did not get its share of the market at 75 percent the growers voluntarily asked that they be placed under a 60 percent provision. I think the growers of that cotton ought to be allowed to continue the program, because their production of cotton and consumption of cotton has been going up rapidly. I hope that the amendment to be offered by the able Senator from Arizona will be agreed to.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. I have already discussed this matter with the Senator from Arizona. I wish to confess it was an error to put this provision in the bill, because it was only recently that we lowered the support price for extra long staple cotton at levels ranging from 60 to 75 percent of parity. I am sure there will be no objection on the part of the committee to restoring a price between 60 and 75 percent of parity.

Mr. ANDERSON. I am happy to have the able chairman of the committee say that. I stand beside another friend [Mr. JOHNSTON of South Carolina] who helped us to get through the provision for 60 percent, and I am very happy to know that that figure will be allowed to continue.

Mr. ELLENDER. There was an oversight on the part of the committee.

Mr. ANDERSON. That is very fine. I thank the able chairman.

I am not in a position to say that this bill is an extremely bad bill. I do not wish to condemn it wholeheartedly. I merely wish to say that there are a great many things to be considered in connection with a farm bill.

I am sorry the floors have remained in the bill at the level at which they are. I have found myself in disagreement at times with the present Secretary of Agriculture, but I must say openly and publicly that I think the floors he suggested, of \$3.63 for rice, 28 cents for cotton, and \$1 for corn are better figures to use than \$4 for rice, 30 cents for cotton, and a figure for corn of \$1.10. Some day we must make these commodities a little more competitive than they are. We must keep these programs moving along. I believe it might be well to reduce the floors. I do not believe that a farm bill which does not take some recognition of wheat in its present situation is a complete bill.

I know the problems of the committee. However, I hope the Committee on Agriculture and Forestry, in the short time remaining in this session, will make an effort to do something about the wheat situation. Personally, I think we ought to make a test to determine whether the 15-acre provision can be removed from the bill without too much danger. I think it could. A great many farmers who have made use of the 15-acre provision could very well not have planted that wheat. That would have been a great help to the wheat-producing areas of Kansas, Texas, and Oklahoma.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CARROLL. Let me say to the distinguished Senator from New Mexico that I have been following with great interest the debate with reference to wheat. As I observe the estimated carryover on July 1, 1959, of 1,200 million bushels, the thought occurs to me that with the great experience of the Senator from New Mexico and the chairman of the Committee on Agriculture and Forestry, who is present in the Chamber, as well as the junior Senator from Georgia [Mr. TALMADGE], the situation could be explained to me in such a way that I could explain it to the wheat farmers back home in my State.

The Colorado wheat growers have said to me, "Acreage-control is not practical." I think there is proof of it today, because of the 900-million bushel carryover we are facing today with the 1958 crop. I am referring to stable businessmen, farmers who have substantial holdings. They want to know why the Congress does not adopt bushel control or unit control, which I think is provided for in the so-called Talmadge farm bill.

Year after year we face the question of surpluses. We talk about acreage control. Wheat farmers vote each year on controls as they did last month. They want marketing quotas. They want price support. They voted in favor of quotas this year by 84 percent. And still we give them a program which does not meet their needs nor the best interest of the Nation.

Is there some reason why we cannot have unit or bushel control on wheat, or pound control on cotton and devise a sensible program? I note the presence in the Chamber of the junior Senator from Georgia [Mr. TALMADGE], whose farm bill would provide for such sen-

sible and workable controls. The chairman of the Committee on Agriculture and Forestry is also present and I invite his recommendations.

I have also talked with Members of the House about unit control as against the present acreage controls which, in effect, offer no control.

Would such a unit control program be administratively feasible? Is there some reason why the Congress cannot devise a comprehensive, sound, intelligent, workable program, as the Democrats pledged in their convention in 1956, when they said they were going to offer the people of the country an agricultural bill of rights. Do we have one before us this evening, upon which we are to vote tomorrow? Are we giving the farmers at home the type of program they themselves want? Do the Democrats know what they are proposing here today? Is this the promised "agricultural bill of rights"? Is there not a feasible farm program which can be presented to the country?

I do not address my remarks entirely to the Senator from New Mexico, but he has a fine background of experience, and I have great confidence in his judgment. I would appreciate his comment on the subject.

Mr. ANDERSON. Mr. President, I would rather have the Senator from Louisiana or the Senator from Georgia answer that question.

I point out to the Senator from Colorado that acreage controls, when we have prices which are pretty strong incentives, have never worked, so far as I know. I doubt if they ever will work.

At the present time we have a system of trying to administer cotton acreage. I was about to say something about the State represented, in part, by the able Senator from California [Mr. KNOWLAND]. In the State of California there is a great deal of skip-row cotton. The farmer plants 4 rows and skips 4 rows, so that there are four outside rows.

I went through two fields which were lying side by side. I do not like to say this about anything that grows in the State of California, but there is a wonderful color to cotton when it is the finest cotton in the world. I have never seen such color in cotton in my life as I saw in the cotton in the State of California.

This particular farmer had two practices. In one field he was growing cotton planted solidly. In the next field he was skip-rowing cotton. He picked 3 bales from the solid growth, and 4 bales from the skip-row cotton.

The Department of Agriculture needs to watch that practice pretty carefully. Not every farmer can afford a program of skip-rowing, but it makes a tremendous difference in the yield. In the State of Texas there is in operation a different program. They plant 2 rows and skip 2 rows, so that every row is an outside row. That makes production several times what it would be in the solidly planted fields.

As soon as controls are put into effect, the farmers buy extra fertilizer and adopt improved farming practices. The



Senator from California well knows that his State has moved ahead because the farmers have spent their money for fertilizer and good farming practices. The result is enormous yields of the finest cotton I have ever seen in my life.

Mr. CARROLL. Would that situation be corrected by unit control?

Mr. ANDERSON. It could be corrected by bale control of production, with penalties.

In connection with one field in Arizona last year, the farmer paid a \$900,000 penalty for planting thousands of acres of penalty cotton. Subsequently he received a refund of several hundred thousand dollars because the cotton did not turn out as well as he thought it would.

It is that sort of thing that is bothersome about the program. If we had bale control, we could say how large the crop should be, and anything over that amount would move under penalty. It is very difficult to administer such controls in connection with a crop like wheat, when thousands of producers are under the 15-acre provision and they do not have to account for any of their wheat. But if a farmer in the State of Kansas, South Dakota, Colorado, or Texas, in a large farming area, overplants wheat, he must plow it up. He must account for every acre he has. But there are areas where that is not true, and those are the areas where wheat production has expanded most rapidly. The time has arrived when the strictest controls must be imposed or else the controls must be on an entirely different basis.

Mr. CARROLL. Mr. President, will the Senator further yield?

Mr. ANDERSON. I should like to answer the question completely.

Mr. CARROLL. I do not wish to draw the junior Senator from Georgia into this discussion, except for the RECORD. It is very clear to me that wheat is not to be treated at all in the bill before us, perhaps because of the heavy carryover, perhaps because of existing law, and perhaps because of existing price supports. This is not my field. I am not an expert in this field. However, my wheat farmers at home tell me, "If you will give us bushel control, we will know what our price-supported income will be, and all overproduction of grain can be placed in storage as insurance. If we are hauled out or blown out or dried out next year, we shall have something to go on." Farmers could plant whatever acreage they please but the normal supply needed by the Nation could be calculated in bushels and controlled at that level regardless of production per acre.

That seems to me to be a far more sensible program, if it is administratively feasible. It seems to me to be a more sensible program to place before the taxpayers of the country, when we think of the enormous sums they are required to pay for support of surplus farm commodities.

If the junior Senator from Georgia, who is the sponsor of the particular measure to which I refer, would care to respond at this time, I should be very happy to hear from him.

Mr. TALMADGE. I shall comment for a moment or two. First let me say that I am not an authority on wheat. I do not pretend to be an authority on the subject. However, on the Committee on Agriculture and Forestry there are several of the Nation's outstanding authorities on the subject. I refer to the distinguished Senator from North Dakota [Mr. Young] and the distinguished Senator from South Dakota [Mr. Mundt]. We also have the distinguished Senators from Kansas [Mr. Schoepfel] and Minnesota [Mr. Humphrey and Mr. Thy]. They can answer any questions with reference to wheat far better than I can.

However, while I do not wish to make an extensive observation on the subject, I should like to say that there is a minimum wheat-acreage allotment of some 50 million acres and that no provision has been placed in the omnibus bill with reference to wheat.

Second, with reference to unit measures of control, I could not agree more with the Senator in his observations. Certainly, we have learned that with an allotment of a certain number of acres of cotton, we do not know how many bales of cotton those acres will produce. Certainly, with an allotment of corn acres we do not know how many bushels of corn will be produced. It will depend upon the efficiency of the farmer, the amount of fertilizer he uses, the fertility of the soil, and on a great many other factors.

Therefore I believe it can be stated with certainty that an allotment of acres will not control production to the degree we seek to control it in the various bills. However, we have used the acreage allotment control heretofore, rather than a unit measurement.

I introduced a bill at this session of Congress, which is pending before the Committee on Agriculture and Forestry. As yet no hearings have been held on it. I have not requested the distinguished chairman of the Committee on Agriculture and Forestry to hold hearings on it, because I know, with the present climate in the Department of Agriculture and the attitude of the President of the United States at this time, there is no chance whatever of having the bill passed by Congress this year.

We have begun an educational campaign, which I hope will be of some benefit at some future date in writing a farm bill which will give the farmers the same degree of protection which is now enjoyed by people who work under the minimum-wage law, and by people who are fortunate enough to belong to labor unions.

It has been stated on the floor of the Senate many times during the debate on the farm bill that the farm population now amounts to about 12 percent of the total population of the country; yet the people who till the soil for a living earn only slightly more than 3 percent of the Nation's income. It can be readily seen, therefore, that those who farm for a living earn about 25 percent of what the nonfarmers earn. That is a sad situation, particularly when we realize that farmers produce all the food we eat and

produce all the raw fiber that we use to make clothing. They grow the timber that we use to build our homes and churches and other public buildings.

I believe that ultimately the answer to the farm problem must be predicated upon a system of domestic allotments, the domestic allotments for the basic commodities amounting to the farmers' individual share of the domestic market. Upon these commodities the farmer ought to be paid 100 percent of parity. After he receives his domestic allotment he should be permitted to produce whatever he sees fit to produce. This would give the farmer freedom to farm.

I am one who believes that an abundance of agricultural commodities in this country is a blessing, not an evil. I suggest that we let those commodities seek their level in price, and let them be exported, and let us continue to produce them for export. Every time we reduce our acreage in this country, it is increased overseas, and that applies whether it be cotton, tobacco, or any other commodity.

Therefore I say we should let each farm commodity seek its own level. I would have the Government, by compensatory payments, make up the difference between the domestic parity allotted to the individual farmer and the base level of the crop.

Such a program has been criticized as the Brannan plan. It is not the Brannan plan. All it does is to provide that the farmer who produces a basic commodity will receive the same fair share of the national income that is received by every other citizen in our country.

It would do for the farmers what the minimum-wage law does for the people who work in interstate commerce. It would do for the farmer what the power of collective bargaining does for the people who are fortunate enough to belong to unions. It would do for the farmer what tariff protection laws do for industry. It would give the farmer a fair share of the national income. It would recognize the fact that the standard of living in the United States is greater than in Brazil or India or Pakistan, and that we are not going to let the farmers of the United States compete with the farmers of Pakistan or India or Brazil for a standard of living.

Mr. CARROLL. I thank the junior Senator from Georgia for his very illuminating explanation, and also the distinguished Senator from New Mexico for his observations on the subject.

I have only this to say. Last year we had a farm bill before us. We talked about how that bill failed to live up to the promises made in the platforms of both political parties. Now here we are this year with a worse farm bill than last year. Unless we adopt a progressive and intelligent farm program, we will come back in 1960 with some new political programs but no real practical solution of the basic farm problems.

This is what we said in 1956: There are two soft spots in our economy. One has to do with small business and the other has to do with the farm program.



We are now about to go home and as yet we have not squarely met these problems. The Democrats promised an agricultural bill of rights, and we have this weak bill before us today. Nor are there any stimulating farm ideas coming from the Republican side or from the Department of Agriculture.

I say to the distinguished Senator from Georgia [Mr. TALMADGE] that, although I do not fully comprehend the full implications of all he has said, I am impressed with the vigor with which he presented his ideas. At least he understands the concept of unit control. The Senator from New Mexico [Mr. ANDERSON] understands the concept of unit control. He did not deny the validity of that viewpoint. The view expressed by the Senator from Georgia certainly merits consideration by the chairman of the Committee on Agriculture and Forestry and by the members of his committee, as well as by the House Committee on Agriculture. We must move forward in this field. We are not doing that. The House has rejected a good farm bill. It was because the city people are getting sick and tired of carrying a heavy tax load caused by the great food surpluses which are being piled up as a result of a negative farm policy.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

The PRESIDING OFFICER (Mr. CLARK in the chair). The Chair points out that the Senator from New Mexico had the floor when he yielded to the Senator from Colorado for a question.

Mr. CARROLL. In the absence of the Senator from New Mexico, I claim the floor.

Mr. BENNETT. I raise a point of order. How did the Senator from Colorado get the floor? He was not recognized.

Mr. CARROLL. The Senator from New Mexico yielded it to him, to leave the floor.

The PRESIDING OFFICER. Does the Senator from Utah raise a point of order?

Mr. BENNETT. I am questioning the transferring of the floor—

Mr. CARROLL. I have no desire to take the floor away from any Senator who wishes it in his own right. I received the floor from the distinguished junior Senator from New Mexico. I propounded a question to him, and I assume he went out to do some research on it. [Laughter.] I now have the floor.

Mr. BENNETT. I raise the point of order and ask for the floor.

The PRESIDING OFFICER. The Chair reluctantly is compelled to rule that the Senator from New Mexico yielded to the Senator from Colorado, under the rules, for a question, and that the Senator from Colorado does not have the floor in his own right.

Mr. CARROLL. If I do not have the floor, I shall have to yield it.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. BENNETT. Mr. President, I shall begin by apologizing to my colleague from Colorado. If the situation were

not what it is, I would not have interrupted in this matter.

Interestingly, the Senator from New Mexico [Mr. ANDERSON] assured me an hour and a half ago that he intended to speak for only 5 minutes.

I am the sponsor of the pending amendment; and I have been under some pressure from the leadership on the other side of the aisle to get on with the business, so that Senators may vote tonight, and that voting can begin. So on that basis I have presumed, rudely, to claim the floor in order that the Senate may return to its orderly business.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield.

Mr. CARROLL. I appreciate the courtesy of the Senator from Utah, and perhaps the time will come when I shall be able to repay in kind.

Mr. BENNETT. Mr. President, there is at the desk an amendment, which is the pending question, which, because of the nature of the parliamentary situation, has to be identified as an amendment to S. 2861. It is designated as "7-23-58-C." This amendment was intended to be offered to the wool bill, if that bill had been offered as a separate bill. Now that the wool bill has been offered as an amendment to the agriculture bill, the designation of the amendment, of course, must be an amendment in the second degree to the amendment, as modified, offered by the Senator from North Dakota [Mr. YOUNG].

I wish to make two modifications in my amendment. On page 2, line 13, the word "6" should be changed to "21."

On line 22, after "(3)", insert "of those who participate."

The PRESIDING OFFICER. Will the Senator from Utah restate the modification he desires to make? The Chair is in some doubt.

Mr. BENNETT. The first modification is on page 2, line 13, to change "6" to "21."

The second modification is on line 22, after "(3)", to insert "of those who participate," so that the sentence will read:

(3) of those who participate, at least two-thirds—

And so on.

The PRESIDING OFFICER. The Senator from Utah has a right to modify his amendment. The Senator may proceed.

Mr. BENNETT. I stand here tonight in an interesting, perhaps an unenviable, position. Most of my fellow Senators from the western wool-growing States have already spoken in opposition to the amendment I have offered. This fact might create the impression that I am antagonistic to the wool bill. The truth, of course, is far from that. I am very desirous of having the wool bill passed at this session, so as to continue the present program in its essential and important features.

However, one problem has been raised which I think is of sufficient importance to warrant the study and consideration of the Senate. I hope that the wool bill will be passed either as an amendment

to the agricultural bill or as a separate bill, if that should become necessary.

S. 2861, the original wool bill, has been on the Senate Calendar for many weeks. During that time, a question has arisen over a matter of principle involving provisions of section 708 of the present law, which would be continued as law if the pending amendment of the Senator from North Dakota should be adopted and finally become law.

Under section 708, a program is provided whereby funds can be obtained to promote the greater use of wool and meat from sheep and goats. Under the present law, all those who raise sheep and goats are privileged to vote in a referendum; and if two-thirds of those who vote agree, a small fraction of the growers' benefits will be withheld by the Secretary of Agriculture, under an agreement, and expended for the promotional program.

So far as I know, there is no opposition among the wool growers to the continuation of the withholding program. My question arises because under the present program there is no provision for a minimum number or a percentage of the growers who must vote in the referendum before the results become binding on the industry. As things now stand, it is theoretically possible to put this program into operation if only 3 growers voted and 2 of them voted for the program. I recognize the fact that that sounds ridiculous, but it is theoretically possible.

In any event, a comparatively small percentage of the growers could make the decision and require the withholding of funds from every benefit paid to every grower in the United States.

In the last referendum, approximately 23 percent of the growers voted, and more than the necessary two-third voted for the program. So approximately between 16 and 17 percent of the sheep-growers in the United States put the program into operation, and effectively imposed a tax on the other 83 or 84 percent of the growers. I realize that the percentage was higher than that in terms of the total number of sheep; but that is the situation.

What bothers me, in addition to that, Mr. President, is the experience we have had with other programs in agriculture involving referendums. The record has been that when a referendum was new and interesting, a comparatively large number of growers voted; but as the referendum became a matter of accepted experience, the number has tended to diminish.

It is interesting to see that between 1954 and 1958—5 years—the number who voted in the wheat referendum dropped from 54½ percent of the growers to 26⅓ percent. That was a drop of more than half in 4 years.

In the cotton referendum, in 1955, 27 percent of the growers voted; in 1958, only 18 percent voted.

But the cotton picture becomes even more interesting, if we go back to 1938. The number of growers who voted in the upland cotton referendum in 1938 was 1,527,000. The number of growers who



voted in 1958 was 229,000. Five-sixths of those who voted the first time, said "Oh, what's the use? It is going to go through, and we are not bothered."

If the wool situation follows that pattern, we can expect in a year or two to find 10 percent of the wool growers of the United States imposing this tax on the other 90 percent.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. GOLDWATER. What is the tax used for?

Mr. BENNETT. It is turned over to an organization which develops a promotion program for the greater use and sale of lamb and wool and wool fabrics. I am sure Senators have seen advertisements to that effect in the national magazines and the local newspapers.

Mr. GOLDWATER. Was not the wool act intended to protect the American wool grower from foreign imports?

Mr. BENNETT. I am sure that is correct.

Mr. GOLDWATER. I do not say this as speaking against the Senator's amendment, but I think it will be of interest. The other day I saw a cigarette lighter carrying the inscription: "Lamb's my meat." That lighter was a giveaway or a present by the American Wool Growers Association. Does the Senator from Utah know where that lighter was made?

Mr. BENNETT. I would be interested to know.

Mr. GOLDWATER. It was made in Japan.

Mr. BENNETT. Fortunately for the American wool grower, so far as I know, sheep are not grown commercially in Japan. At least, we are not importing wool from Japan. We are importing much cotton. Maybe the Japanese will follow that lighter up. I hope not.

Mr. President, I think it is time for Congress to face this question as a matter of basic policy.

There are now before Congress proposals from other segments of agriculture which suggest the use of similar withholding programs, based on the same device of conducting a referendum within the industry. Following in the pattern set up in existing law applicable to the wool industry, these new proposals also suggest no minimum limit in the case of those whose votes would be permitted to bind the whole industry.

Therefore, I think it essential that we now consider the problem specifically, and begin to establish a policy pattern for every industry which wishes to use this device.

Obviously, there are two sides to the question. Already this evening the Senate has heard my colleague and very fine friend, the senior Senator from Utah [Mr. WATKINS], as well as other Senators from the West, attack the proposal I am making, and indicate that they do not support it.

There are those who are opposed to any requirement that a minimum number of those eligible to vote must vote if the referendum is to be valid. They argue that everyone who really is interested will have an opportunity to vote,

and that the program should not be jeopardized because of indifference. On the other hand, there are those who feel that to accept this idea is to permit taxation without representation, so to speak—in other words, the establishment of a rule by which a small minority could impose a checkoff on a whole industry. I am one of those who do not believe that to be a sound principle; and for many weeks I have been urging my friends who take opposing views to try to find a common ground, so the question would not be involved in our consideration of the bill here in the Senate. Unfortunately, that has not happened.

Mr. YOUNG. Mr. President, will the Senator from Utah yield to me?

Mr. BENNETT. I am glad to yield.

Mr. YOUNG. Would the Senator from Utah be willing to have applied to wool the same principle that is applied in the case of milk marketing orders, meat marketing orders, wheat quotas, tobacco quotas, and so forth?

Mr. BENNETT. I think the time has come when we should consider adopting that principle as a basic one.

Unfortunately, as the Senator from North Dakota knows, the Senator from Utah is not directly involved in the handling of the agricultural program in the Senate, and thus he is not able to pass judgment on that particular question.

Mr. YOUNG. In Utah, there are many woolgrowers who have large herds, whereas in North Dakota the average herd of sheep is quite small.

Of course, in the case of wheat, when the total number of farmers who produce wheat is considered, it includes farmers who produce wheat on only 10 acres or 15 acres, and who therefore have no vote in the referendums. They are not permitted to vote, even if they wish to.

Mr. BENNETT. However, the heading on the publication of the Department of Agriculture is "Estimated Total Number of Those Eligible To Vote."

In the case of wheat, the number has dropped from 54½ percent of those eligible to vote to 26.3 percent of those eligible to vote.

Mr. MUNDT. Mr. President, will the Senator from Utah yield to me?

Mr. BENNETT. I am glad to yield to my friend, the Senator from South Dakota.

Mr. MUNDT. It seems to me that the proposal of the Senator from Utah [Mr. BENNETT] might lead to the adoption of a rather dangerous precedent; I refer to the proposal that, in order for an election to be valid, a certain percentage of the eligible voters must vote. For instance, if that principle were to be extended in its application, it might result in endangering the election of Senators.

I am sure that a principle such as the one now suggested by my colleague for application in this case would not be properly applied to presidential elections, congressional elections, elections of school-board members, and so forth.

Mr. BENNETT. But today there is such a rule in the Senate; theoretically, unless 49 Senators are present, no action taken by the Senate is valid.

Mr. MUNDT. But I am referring to the election of Senators. No such rule applies to the election of Senators from Utah or from South Dakota, for instance. In such cases there is no rule that, in order to have a valid senatorial election, a certain percentage of the eligible voters must vote.

So I do not believe we should impose such a rule on the wool industry, when we would be unwilling to impose a similar rule upon ourselves.

Mr. AIKEN. Mr. President, will the Senator from Utah yield to me?

Mr. BENNETT. I yield.

Mr. AIKEN. I am afraid the Senator from South Dakota is unduly alarmed. It is common knowledge that the most successful and the most widely used marketing orders today are the milk-marketing orders; and in order to have a valid milk-marketing order, 66⅔ percent of the total number of producers are required to vote in favor of the order.

So what the Senator from Utah [Mr. BENNETT] proposes—and I do not say this as an argument in favor of his amendment—is far, far less than what is required today of the dairy producers.

I have said that in the case of milk-marketing orders, the requirement is that 66⅔ percent of the total number of producers vote. I believe that is true, although I am not sure that it is true in all areas. But I know it is true in the marketing areas with which I am most familiar.

Mr. BENNETT. Mr. President, I appreciate the statement the Senator from Vermont has made.

Mr. GOLDWATER. Mr. President, will the Senator from Utah yield to me?

Mr. BENNETT. I yield.

Mr. GOLDWATER. I wish to try to answer the Senator from South Dakota, without at the same time giving an equally good argument to my friend, the Senator from Utah. I may point out that in the past few years this body decided that more than 50 percent of the eligible voters would be required to vote, in order to have democratic processes applied in connection with the functioning of the unions of the country.

So, actually, what the Senator from Utah is proposing is less stringent than that proposal.

Mr. MUNDT. Mr. President, will the Senator from Utah yield further to me?

Mr. BENNETT. I yield.

Mr. MUNDT. I think it would be manifestly unfair to impose on the wool industry and the sheep industry such a new rule—namely, that in order for a referendum to be valid, a certain percentage of the eligible voters would have to vote.

It seems to me that in that connection it would be more in keeping with equity to evaluate the votes on the basis of the number of sheep in the flock of each individual voter—just as, in effect, a similar rule applies in the case of voting by stock owners.

However, in the case of the present proposal, there would be an additional restriction, namely, that a certain number of the persons who have sheep, and who are eligible to vote, must vote if



the referendum is to be valid. I think such a restriction would vitiate the act.

Mr. BENNETT. Mr. President, obviously the Senator from South Dakota and I do not agree.

Mr. YOUNG. Mr. President; will the Senator from Utah yield further to me?

Mr. BENNETT. I yield.

Mr. YOUNG. One of the reasons why I oppose the amendment is the situation which exists in my own State. In North Dakota, sheep raising is a sideline; there are not more than one dozen large operators in the entire State. In fact, the average number of sheep in all the flocks on all the farms of the Nation is only seven.

So when sheep raising is only a sideline, those who raise sheep are not interested in taking the time and the trouble to vote; voting in connection with such matters does not mean that much to them.

In the case of the dairy farmers, inasmuch as most dairy farms are more or less of average size, it might be possible to impose such a requirement.

But in this case, I believe such an amendment would destroy this part of the program.

Mr. BENNETT. I should like to have a little discussion about arithmetic with my friend, the Senator from North Dakota. According to the best information I can obtain, there are between 315,000 and 320,000 woolgrowers or sheep owners in the Nation. But it seems to me that on the floor of the Senate it has been stated, this evening, that the sheep population is 30 million. Does the Senator from North Dakota know what the correct figure is?

Mr. YOUNG. According to the information I have, there are approximately 300,000 producers in the Nation.

Mr. BENNETT. That is correct. How many sheep are there?

Mr. YOUNG. Approximately 30 million.

Mr. BENNETT. If there are 30 million sheep and 300,000 sheep owners in the United States, the average flock in the United States is 100 sheep; it is not 7.

Mr. AIKEN. I suggest that the time of year makes a great difference as to the number of sheep. Lambs come into the picture from the end of February to June, which means that at that time of year there will be at least one-third more sheep than there were at the end of January.

Mr. BENNETT. But, of course, that number does not represent the difference between 7 and 100.

Mr. AIKEN. That is quite a difference.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BENNETT. I am glad to yield.

Mr. LAUSCHE. I wish to ask a question for the purpose of obtaining information. Is there in the statutes anywhere a program providing for the advertising of a specific farm product the financing of which is done through a law such as is suggested by the Senator from Utah?

Mr. BENNETT. Yes. A sheep program has been in effect for 2 years. An advertising program is in operation. It is a fact. This bill would continue it.

Mr. LAUSCHE. What are the provisions of the present program with regard to the voting formula?

Mr. BENNETT. Two-thirds of those who vote must vote for the program. There is no minimum as to the number who must vote.

Mr. LAUSCHE. Do I understand correctly that is the present law?

Mr. BENNETT. That is correct.

Mr. LAUSCHE. That when two-thirds vote—

Mr. BENNETT. No; when two-thirds of those who vote.

Mr. LAUSCHE. Then the deduction becomes allowable?

Mr. BENNETT. It becomes mandatory as to everybody who receives a benefit under the program.

Mr. LAUSCHE. Is a similar program existent as to any other farm product?

Mr. BENNETT. Not that I know of; no program which involves the deduction of money.

Mr. LAUSCHE. A final question: What does the amendment of the Senator from Utah provide with regard to the existing law?

Mr. BENNETT. The amendment of the Senator from Utah is an amendment to the amendment offered by the Senator from North Dakota. The Senator from North Dakota proposes that the existing law should be continued for 4 years, practically without change. The Senator from Utah suggests this change.

Mr. THYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. To whom does the Senator from Utah desire to yield?

Mr. BENNETT. Perhaps I had better conclude my colloquy with the Senator from Ohio. The amendment of the Senator from Utah would require that one-third of the growers must participate before the election referendum can become valid. If less than one-third participate, then there has been no decision.

Mr. THYE. Mr. President, will the Senator yield?

Mr. BENNETT. I yield to the Senator from Minnesota.

Mr. THYE. Who would conduct the election?

Mr. BENNETT. The Secretary of Agriculture.

Mr. THYE. Has not our philosophy been to have less regimentation and red tape, and would this not be adding to regimentation and red tape?

Mr. BENNETT. The amendment of the Senator from Utah does not change the law in that respect.

Mr. THYE. Those who desired to be regimented and to cast a vote could cast a vote; but those who did not care to vote were not compelled to vote.

Mr. BENNETT. They were not compelled to vote, but the money was taken from them.

Mr. THYE. That is correct, and the producer has not complained about it; but in this instance the Senator is proposing to make it mandatory that a certain percentage vote.

Mr. BENNETT. That is true.

Mr. THYE. Therein lie regimentation and mandatory provisions.

Mr. BENNETT. I do not think it is regimentation to ask that one-third of those eligible must vote before they bind the other two-thirds. Again, that is a difference of opinion between me and my friend.

May I continue with my statement, Mr. President?

In applying this principle to the wool bill, there were those who felt strongly that the minimum should be set at 40 percent of the wool growers who should be required to participate. I personally feel this percentage is too high, considering that there has been no limitation during the life of the present wool bill. I think the principle can be established if a smaller minimum participation is required.

I have selected the figure of 33 1/3 percent because my conversations with both sides of this argument indicate that this seems to be the lowest figure that can be sustained without developing opposition which might be sufficient to jeopardize the whole bill. I agree that 33 1/3 percent still represents a minority, but if it will serve to establish the principle, it can be adjusted up or down later, after we have had experience with it. At the same time, I realize that this requirement sets a very difficult task for the wool growers who favor this promotion program, and for the organizations that represent them.

In 1954, the latest date for which the Department of Agriculture has figures, there were approximately 315,000 producers of wool who would be eligible to vote. Eighty percent of these have small farm flocks, from 50 head down to 5.

Under this amendment, and if the number of producers has not grown materially, about 105,000 growers would have to participate to validate the referendum, and 70,000 would have to approve the program to put it into effect. In the last referendum some 67,000 voted. In effect, the number of voters would have to be increased by 38,000, or a little more than 50 percent. I agree that this would be difficult, but I do not think it is impossible to attain. In the past there was no need to work for total vote, and therefore no point in following through to get out a big vote. If the total vote becomes as important as a big affirmative vote, and I believe the two can be attained together, I believe this program can be sustained. Before, people could be indifferent without risk. The very knowledge that a minimum exists, and that to abstain is in fact to vote against the program, should encourage participation. Then, too, there has been a specific program in operation whose benefits can be pointed out and the whole continuation can be justified.

As I have said, Mr. President, I know our woolgrowers need this bill. I know, too, that without some such amendment as mine, there might be enough opposition to the bill as to put its passage in jeopardy. Therefore, I earnestly urge my colleagues to support the amendment and then support the Young proposal to include the wool bill in the general bill before us. By doing this, I think we shall not only make extension of the Wool Act easier and safer, but we shall set this principle of minimum



participation up as a Senate policy for similar programs that may be considered in the future.

Mr. LAUSCHE. Mr. President, will the Senator yield for a further question?

Mr. BENNETT. I yield.

Mr. LAUSCHE. Where will the producers be if and when the time comes when, with respect to each farm product, there will be a similar situation prevailing as that which now prevails in the case of the woolgrowers? By that I mean when the producers of pork, lamb, beef, and other farm products find themselves, by legislative fiat, required to pay a certain amount of money into the fund for advertising purposes. My answer to the question, if I may answer my own question, is that they will be in the identical position they would be in if no law had ever been passed requiring compulsory contributions for advertising purposes.

Mr. BENNETT. It is the opinion of the Senator from Utah, judging by the record in the referenda with respect to other crops, it might well be that after a few years a small group in each area would control the situation and the rest of the growers would have given up and assumed they had no say or no need to have a say. I believe this is an important matter.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. AIKEN. I should like to make it plain that my reference to milk marketing orders a few minutes ago did not imply that a milk marketing order under Federal law permits any checkoff or deduction of funds for promotion purposes. There are several million dollars a year spent in promoting the use of milk and its products, but the funds for that purpose are all provided by voluntary checkoff on the part of the producer, or in some cases under State law where the checkoff is authorized for the promotion of dairy products within the State. There is no Federal law permitting a checkoff system for dairy producers for promotional purposes.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BENNETT. I am happy to yield.

Mr. LAUSCHE. In Ohio efforts were made to secure the passage of a law dealing with one of the fruits, though I do not recall now which fruit. I took the position that such action would place upon many unwilling growers a burden which ought not to be imposed upon them by law, and that, if they wanted such a program, they ought to subscribe to it voluntarily and provide the necessary funds. I was opposed to the program. I would be opposed to this program if it were now initially before the Senate.

Mr. BENNETT. This program was adopted by the Senate 2 years ago. It is the hope of the Senator from Utah that it can be stiffened.

Mr. President, I have no desire to continue this discussion further. I hope a vote can be taken soon.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. NEUBERGER. Mr. President, I rise, as we near a vote, to speak very briefly in favor of the Young amendment, which contains the provisions of the Wool Act, and to oppose the proposal by the distinguished Senator from Utah to modify the Young amendment.

When I was a member of the legislature in my State, we enacted laws to provide for the use of funds from the milk producers, dairy producers, and growers of wheat to advertise and promote those products. This program was set up by law. The program has been successful in my State. I doubt if very many dairy producers or wheat growers would like to see those laws repealed in Oregon. They have been very successful laws.

I learned only a few moments ago from the very able Senator from Kansas, who has been a leader in the field of agriculture, that somewhat similar legislation with respect to wheat was enacted in his State of Kansas. I believe the operation of the law is successful in that State.

I support the Young amendment without the modifying features proposed by the able Senator from Utah.

Mr. President, there is great interest among the woolgrowers of Oregon in the action the Senate takes relative to S. 2861, the important features of which are embodied in the Young amendment. I have had several communications expressing that interest, with all of them urging action on the bill as it came from the Committee. As cosponsor of this measure, I ask unanimous consent that wires and letters from Oregonians, including the Governor of Oregon, the Honorable Robert D. Holmes, be printed in the RECORD at this point in my remarks.

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

SALEM, OREG., July 22, 1958.

Senator NEUBERGER,  
Senate Office Building,  
Washington, D. C.:

Oregon sheepmen deeply concerned over lack of Senate action to date on Senate 2861 to extend the National Wool Act which understand has been on Senate Calendar past couple months. To plan their operations for 1959 including number of ewes held for breeding sheepmen must know promptly what conditions they will face during coming season. Your best effort toward calling this important bill up for Senate action without further delay will be greatly appreciated.

ROBERT D. HOLMES,  
Governor of Oregon.

PORTLAND, OREG.

The Honorable RICHARD L. NEUBERGER,  
Senator, Senate Office Building,  
Washington, D. C.:

On behalf of the sheepmen of Oregon, I seek your assistance to get S. 2861 on the Senate Calendar. This bill extends to National Wool Act, and it is vitally important to the sheep industry that the National Wool Act receive favorable consideration by the Congress.

C. B. STEPHENSON,  
President, First National  
Bank of Portland.

MAUPIN, OREG., April 28, 1958.

Senator RICHARD NEUBERGER,  
United States Senate,  
Washington, D. C.:

Woolgrowers of this area strongly urge immediate consideration of S. 2861 to extend Wool Act as Senate Agriculture Committee reported; also urge you oppose any amendments which might prevent accomplishing purposes of this act.

GEORGE WARD.

WASCO COUNTY.

FOSSIL, OREG., April 28, 1958.

Senator RICHARD NEUBERGER,  
Senate Office Building,  
Washington, D. C.:

Request you seek quick consideration of S. 2861 to extend wool act as approved by Senate Committee. We oppose any injurious amendments to promotion and self felt program. Urge that you oppose such amendments on Senate floor.

J. P. STEIWER,  
Secretary, Oregon Wool Growers.

CORVALLIS, OREG.

Senator RICHARD NEUBERGER,  
Washington, D. C.:

Our members would appreciate your help in seeking early action on S. 2861 relative to extension of wool act reported by Agricultural Committee of Senate. We further request you use your influence in opposition to any amendments injurious to the intent of the act.

AMERICAN ROMNEY BREEDERS  
ASSOCIATION,  
H. A. LINDGREN, Secretary.

LAKEVIEW, OREG., June 23, 1958.

Senator RICHARD NEUBERGER,  
Senate Building,  
Washington, D. C.:

Urgent get action renew wool act. Request your help.

FREEMONT SHEEPMANS ASSOCIATION.

REDMOND, OREG., July 22, 1958.

The Honorable RICHARD L. NEUBERGER,  
United States Senate Office Building,  
Washington, D. C.:

The Agriculture Committees of both Houses have favorably acted on the Wool bill but it has not come to the floor of the House for action. We would like to urge your support on this matter since you realize the important of the Wool Act to the sheep industry and the welfare of our community. The sheep industry can not survive in the fact of foreign competition without sufficient tariffs and without any support program.

CENTRAL OREGON PRODUCTION  
CREDIT ASSOCIATION, RED-  
MOND, OREG.,  
By W. C. HAYS, Secretary-Treasurer.

THE DALLES, OREG., July 22, 1958.

Hon. RICHARD NEUBERGER,  
Senate Office Building,  
Washington, D. C.:

Would appreciate any help you can give to get bill, S. 2861, Wool Act on Senate floor for favorable consideration.

J. MARTIN STEIN,  
Secretary-Treasurer, Mid-Columbia  
Production Credit Association.

ROSEBURG, OREG., July 21, 1958.

RICHARD NEUBERGER,  
United States Senate,  
Washington, D. C.:

Douglas County Livestock Association requests your support toward renewing National Wool Act. We feel it essential to our sheep industry. Your assistance urgently



needed to get this legislation through before present act expires.

DARLEY WARE, *President.*

REDMOND, OREG., July 21, 1958.

Senator RICHARD L. NEUBERGER,  
*Senate Office Building,  
Washington, D. C.:*

Please use best efforts to pass the Wool Act.

HENRY E. ROOPER.

ANTELOPE, OREG.

PORTLAND, OREG., July 23, 1958.

Hon. RICHARD L. NEUBERGER,  
*Senate Office Building,  
Washington, D. C.:*

May we call your attention to renewal of Wool Act of 1954, now favorably acted on by Agricultural Committees of both House and Senate, but has not been permitted to come to floor for action. Renewal of this act before adjournment of present session is vital to survival of western sheepmen and to woolen industry of this country. It is our hope that you will be able to give enactment of bill your active support.

PENDLETON WOOLEN MILLS,  
C. M. BISHOP, *President.*

ECHO, OREG., July 22, 1958.

Senator RICHARD NEUBERGER,  
*Senate Office Building,  
Washington, D. C.:*

The Agricultural Committee of both Houses have favorably acted on the Wool bill to extend National Wool Act beyond 1958 marketing year. However, up to now, has not been permitted to come to the floor of either House. It would be bad for Oregon sheepmen to lose this support along with past reductions in tariff which the Wool Act is to reimburse growers. For I do not agree with the stand of the American Bureau of Federation, feel they should be ignored in this matter.

GAYLORD MADISON,  
*President of Umatilla Wool Growers.*

CURRY COUNTY LIVESTOCK

ASSOCIATION,

Gold Beach, Oreg., July 21, 1958.

Oregon Delegation in Congress: WAYNE MORSE, RICHARD NEUBERGER, WALTER NORBLAD, Mrs. EDITH GREEN, AL ULLMAN, CHARLES PORTER:

The sheep industry and wool income is of vital importance in Oregon. While we are generally opposed to subsidies we must admit that the wool incentive payment is most economically sound and of most vital importance to our total economy and preparedness.

Our sheep population in the United States is approximately half the number on farms during the early OPA uneconomic regulations period when WAYNE MORSE made his daily speech opposing restrictions on lamb marketing. At that time he predicted it would put our sheep men out of business, and it did, many of them. During World War II southern hemisphere wool was stockpiled again, making the woolgrower a victim of controlled economy disadvantages. The sheep industry plays a very important part in good land use and should be encouraged.

Now we are threatened with political negligence. The Agricultural Committees of both Houses have favorably acted on the wool bill but it has not been permitted to come to the floor of either House for action. There is now a grave danger that Congress will not act at this session and there may be less than 3 weeks left before they adjourn.

We urgently request that the Oregon delegation use their combined influence and

united action to get the wool incentive bill on the floor before Congress adjourns this session. Thank you very much.

Yours very truly,

CHARLES R. KNOX,  
*President, Curry County Livestock  
Association.*

WESTERN OREGON  
LIVESTOCK ASSOCIATION,

McMinnville, Oreg., April 28, 1958.

Hon. RICHARD L. NEUBERGER,  
*Senate Office Building,  
Washington, D. C.:*

I want to take this opportunity to urge that you seek early consideration and action on S. 2861, to extend the Wool Act as reported by the Senate Agriculture Committee.

Since wool is classed as a strategic commodity and production below a safe level in the United States, I surely oppose any tieup with any other commodity.

Checked on prices here in Yamhill County, Oreg., today; 36 cents per pound long grades, 31 cents per pound lamb wool and short wool. Last year as of April 28 was 64 cents per pound.

The sheepman, both large and small, needs this act extended and intact.

Sincerely yours,

WALTER A. SHUMWAY,  
*President, Western Oregon Live-  
stock Association.*

PACIFIC WOOL GROWERS,  
Portland, Oreg., July 10, 1958.

The Honorable RICHARD NEUBERGER,  
*United States Senate,  
Washington, D. C.*

MY DEAR SENATOR NEUBERGER: I had intended to write you this letter previous to the time that the debate in the Senate came up on the farm bill. However, I expect that progress has not gone so far but what we may present our views, which might be helpful to you.

Naturally, we hope that you will support vigorously, the extension of the Wool Act, which, as you know, is vital to the preservation of the domestic sheep industry.

It is our understanding that you have on hand a separate wool bill, S. 2861, which is still on the calendar and might be brought up separately if the Wool Act is not extended as a part of the farm bill, should it pass. Of course, if the farm bill should be defeated, every effort should be made to have the Wool Act passed separately. This is the considered opinion of the entire industry, both manufacturers and producers.

Your cooperation and support in accomplishing the end sought, will be sincerely appreciated. We also hope that you will oppose any amendment intended to cripple the operation of the Wool Act, as we understand such a move might be in the offing.

Mr. Edwin E. Marsh, who is secretary of the National Wool Growers Association, is in Washington, staying at the Hotel Continental. His telephone number is National 8-1672. If there is any information you require concerning the legislation from the standpoint of the domestic woolgrowers, he will be very glad to furnish it to you.

Cordially,

R. A. WARD,  
*General Manager.*

EUGENE, OREG., July 17, 1958.

Senator RICHARD NEUBERGER,  
*Senate Office Building,  
Washington, D. C.:*

The Oregon Wool Growers Auxiliary asks you to please not allow any amendments to be added to section 708 of the National Wool Act Renewal.

Mrs. MARION G. KREBS,  
*President, Oregon Wool Growers  
Auxiliary.*

ARLINGTON, OREG., July 20, 1958.

Senator RICHARD NEUBERGER,  
*Senate Office Building,  
Washington, D. C.:*

We urgently request you make every effort to have the wool bill brought out of the Agriculture Committee to the floor of the Senate for action before Congress adjourns. The fate of the sheep industry is at stake. Further liquidation can be stopped only by extension of this act.

GEORGE SHANE & SON.

PORTLAND, OREG., July 19, 1958.

Hon. RICHARD L. NEUBERGER,  
*Senate Office Building,  
Washington, D. C.:*

We understand that the Agricultural Omnibus bill containing the wool incentive program was defeated. This is a serious blow to the sheepmen of Oregon and urgently request your assistance in introducing and supporting new legislation which will continue the present program for another 4 years. As we are financing a large portion of sheepmen in the Northwest we realize the value of the incentive program. In our estimation this program has definitely carried out the original intent and has been beneficial in stabilizing the sheep industry in our area; therefore, we feel that it would be very unwise to discontinue this program now.

NORTHWEST LIVESTOCK PRODUCTION  
CREDIT ASSOCIATION.

VALE, OREG., July 19, 1958.

Hon. RICHARD L. NEUBERGER,  
*Washington, D. C.:*

Urgently request your full support for passage of S. 2861. Industries desperately in need of Wool Act extension.

Kindest regards.

JULIAN ARRIEN.

HEPPNER, OREG., July 21, 1958.

Senator RICHARD NEUBERGER,  
*Senate Office Building,  
Washington, D. C.:*

Urgently request your efforts be directed toward extension of National Wool Act this session.

VIRGINIA and DICK WILKINSON.

HEPPNER, OREG., July 21, 1958.

Senator RICHARD NEUBERGER,  
*Senate Office Building,  
Washington, D. C.:*

Urgently request your efforts be directed toward extension of National Wool Act this session.

WAVEL WILKINSON.

HEPPNER, OREG., July 21, 1958.

Senator RICHARD NEUBERGER,  
*Senate Office Building,  
Washington, D. C.:*

Urgently request your efforts be directed toward extension of National Wool Act this session.

SHIRLEY and GEORGE RUGG.

BROOKINGS, OREG., July 20, 1958.

Senator NEUBERGER,  
*Washington, D. C.*

HONORABLE SIR: We urgently request that you act immediately on the National Wool Act before Congress adjourns this session.

Sincerely,

DELMAR COLEGROVE, Sr.

BROOKINGS, OREG., July 20, 1958.

Senator NEUBERGER,  
*Senate Office Building,  
Washington, D. C.:*

I urge you to do everything possible for passing of the National Wool Act.

GENE COLEGROVE.

HARBOR, OREG.



ONTARIO, OREG., July 21, 1958.

Senator RICHARD L. NEUBERGER,  
Senate Office Building,  
Washington, D. C.:

Request support and immediate action for  
extension of National Wool Act.

D. F. FRASER.

COQUILLE, OREG.

Senator RICHARD NEUBERGER,  
Senate Office Building,  
Washington, D. C.:

Request your immediate efforts to bring  
bill to extend Wool Act from committee and  
through Congress this session. Wool sup-  
port ends this year unless this bill is passed  
now.

HOLLIS MAST,  
President, Coos County Livestock  
Association.

PORTLAND, OREG., July 23, 1958.

RICHARD L. NEUBERGER,  
Senate Office Building,  
Washington, D. C.:

As passage of National Wool Act is essen-  
tial for survival of Oregon wool growers, sug-  
gest all possible effort for renewal of act  
before Congress adjourns.

PORTLAND WOOL TRADE ASSOCIATION,  
THOMAS B. BISHOP, President.

KLAMATH FALLS, OREG., July 24, 1958.

Hon. RICHARD NEUBERGER,  
United States Senate,  
Washington, D. C.:

We urge renewal of the 1954 Wool Act,  
Senate bill 2861.

BOARD OF DIRECTORS, KLAMATH PRO-  
DUCTION CREDIT ASSOCIATION.

COOPERATIVE EXTENSION WORK IN  
AGRICULTURE AND HOME ECONOMICS,

STATE OF OREGON,

McMinnville, May 5, 1958.

Hon. Senators WAYNE MORRIS, RICHARD  
NEUBERGER,  
Senate Office Building,  
Washington, D. C.

GENTLEMEN: It has been called to our at-  
tention that Senate bill 2861 regarding the  
extension of the wool program is about to be  
brought before the Senate for vote.

The price of wool in Yamhill County is  
lower this year than it has been for several  
years. Our sheep producers feel they need  
the support given them through this Wool  
Act. Therefore, the Yamhill Country Live-  
stock Association solicit your support in  
helping to pass this bill.

Sincerely yours,

VERYLE JONES,  
President of Yamhill County  
Livestock Association.

OAKLAND, OREG., July 22, 1958.

Hon. RICHARD L. NEUBERGER,  
United States Senator,  
Washington, D. C.

DEAR SENATOR NEUBERGER: I am writing  
relative to the Wool Act.

Woolgrowers are faced with ruinous low  
prices if the Wool Act is not renewed. Wool  
is an important commodity from the stand-  
point of defense, and our growers are an  
important segment of our Oregon agri-  
cultural economy.

I would urge every effort on your part  
to see that this important piece of legis-  
lation is passed before Congress adjourns.

Sincerely yours,

EUGENE H. FISHER,  
Member, Pacific Wool Growers Board  
of Directors.

Mr. NEUBERGER. Mr. President,  
S. 2861 was reported by the Senate Agri-  
culture and Forestry Committee April 21.  
I believe I have heard of no particular  
opposition to the measure, although  
there may be a minority who would fa-

vor moderate amendments. Judging by  
my constituents, it has unanimous back-  
ing from the wool growers and equally  
strong support from allied industries.

I would like to emphasize the point  
made by the Governor of Oregon, in his  
wire, in which he invites attention to the  
fact that wool growers are at this time  
planning their operations for 1959. In  
determining the number of ewes to be  
held for breeding, sheepmen should  
know very shortly the conditions under  
which they will operate next year. Fa-  
vorable action now on the wool measure  
would help greatly in this respect.

The urgency of this bill was especially  
emphasized to me yesterday by ex-State  
Senator W. H. Steiwer, of Fossil, Oreg.,  
an official of the National Wool Growers  
Association and a past president of the  
Oregon Wool Growers Association, with  
whom I discussed the problem. Mr.  
Steiwer has raised sheep for many years  
in the Blue Mountain area of eastern  
Oregon, and is a recognized authority on  
matters pertaining directly to wool pro-  
duction.

Mr. President, in supporting the bill  
we are not experimenting but rather  
putting our stamp of approval on the  
tested program, which has won support  
from all segments of the wool industry.  
I urge prompt and favorable action, and  
I should like to ask unanimous consent  
to have printed in the CONGRESSIONAL  
RECORD, at this point, a letter I wrote to  
the able Senator from Utah [Mr. BEN-  
NETT] earlier this week, on the urgency  
of extending the Wool Act.

There being no objection, the letter  
was ordered to be printed in the RECORD,  
as follows:

JULY 22, 1958.

Hon. WALLACE F. BENNETT,  
Cochairman, Conference of Western  
Senators,  
United States Senate,  
Washington, D. C.

DEAR SENATOR BENNETT: I am pleased to  
hear that you have asked the majority  
leader to call up S. 2861 separately if it is  
determined S. 4071 is not to be considered.

I have heard from the wool people in  
Oregon who are concerned over the ques-  
tion of incentive price and the question of  
the number of ewe lambs to retain. Of  
course, they must decide these questions  
in the next few weeks. The action taken  
on the wool bill will, I know, determine the  
decisions of the woolgrowers in this respect.  
As a cosponsor of S. 2861, I appreciate your  
sending me a copy of your letter in which  
you have very properly brought this matter  
to the attention of the Majority Leader just  
at this time.

With kind regards, I am,  
Sincerely,

RICHARD L. NEUBERGER,  
United States Senator.

Mr. MANSFIELD. Mr. President, I  
suggest the absence of a quorum.

The PRESIDING OFFICER. The  
clerk will call the roll.

The legislative clerk proceeded to call  
the roll.

Mr. MANSFIELD. Mr. President, I  
ask unanimous consent that the order  
for the quorum call be rescinded.

The PRESIDING OFFICER. Without  
objection, it is so ordered.

Mr. YOUNG. Mr. President, I will  
take only a half minute.

The Secretary of Agriculture now has  
authority to do exactly what the Senator  
from Utah is proposing. The Secretary  
can require that higher percentage of  
producers vote if he wants to. This is a  
good program. I believe the amendment  
would kill this very good program.

Mr. BENNETT. Mr. President, I am  
afraid I must ask the Senator from North  
Dakota to explain his statement. It is  
my understanding the Secretary of Agri-  
culture has the power to require a higher  
percentage of those who participate, but  
no power to set a minimum on the parti-  
cipation.

Mr. YOUNG. The Secretary has the  
authority to require a higher percentage  
of participation.

Mr. BENNETT. Of those who partici-  
pate?

Mr. YOUNG. Yes.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The  
question is on agreeing to the amend-  
ment offered by the Senator from Utah  
[Mr. BENNETT] to the amendment, as  
modified, offered by the Senator from  
North Dakota [Mr. Young]. [Putting  
the question.]

The amendment to the amendment  
was rejected.

Mr. HUMPHREY. Mr. President, I  
ask for the yeas and nays on the Young  
amendment.

Mr. KNOWLAND. Mr. President, a  
parliamentary inquiry.

The PRESIDING OFFICER. The  
Senator from California will state it.

Mr. KNOWLAND. Is the request of  
the Senator for the yeas and nays on  
the Young amendment?

Mr. HUMPHREY. The Senator is  
correct.

The PRESIDING OFFICER. The  
Senator from Minnesota requests the  
yeas and nays on the Young amend-  
ment. Is there a sufficient second?

The yeas and nays were ordered.

Mr. ALLOTT. Mr. President, I want  
to state briefly my support of the  
amendment offered by the hard-work-  
ing junior Senator from North Dakota  
[Mr. Young]. The modifying language  
he has developed, which provides a  
ceiling of 85 percent of parity on wool  
supports from tariff receipts, is unques-  
tionably fair, reasonable and equitable.

As has been noted earlier by the able  
senior Senator from Wyoming [Mr.  
BARRETT], who is one of this country's  
truly distinguished authorities on our  
wool industry, the Wool Act must be  
extended if we are to keep the sheep  
industry safely on the road to recov-  
ery.

The Department of Agriculture has  
recommended extension of the Wool Act.  
Our own Agriculture and Forestry Com-  
mittee has recommended it. Our do-  
mestic industry cannot survive without  
it. And, Mr. President, I know of no  
reason for not continuing this eminently  
successful program.

To illustrate how some of the people  
in Colorado feel about this matter, I  
would like to have printed in the RECORD  
some of the telegrams and letters I have  
received, and for that purpose ask  
unanimous consent.

There being no objection, the tele-  
grams and letters were ordered to be  
printed in the RECORD, as follows:



GYPSUM, COLO., July 23, 1958.  
Senator GORDON ALLOTT,  
Senate Office Building,  
Washington, D. C.:

We want and need the National Wool Act extended. Please contact Congressmen W. S. HILL and J. E. CHENOWETH. Please do all you can for us.  
Thanks.

J. LEROY MAYNE.

ASPEN, COLO., July 23, 1958.  
Senator GORDON ALLOTT,  
Senate Office Building,  
Washington, D. C.

DEAR SIR: Respectfully urge your efforts on behalf of the wool bill.  
Appreciatively.

A. PERRY CHRISTENSEN.

SALIDA, COLO., July 23, 1958.  
Hon. GORDON ALLOTT,  
Senate Chambers,  
Washington, D. C.:

The sheep industry in Colorado urgently needs the extension of the Wool Act.

E. E. NYWMYER.

SALIDA, COLO., July 23, 1958.  
Hon. GORDON ALLOTT,  
Senate Chambers,  
Washington, D. C.:

We urge you to expend all possible effort toward immediate passage of Wool Act.

WILLIAM E. BRAY,  
GEORGE MIKE YOUNG,  
MARSHALL HUGHES,  
ROY DAVIS,  
EDWIN JACOBS,  
FLOYD KINION,

San Miguel Wool Growers Association.  
REDVALE, COLO.

SALIDA, COLO., July 23, 1958.  
Hon. GORDON ALLOTT,  
Senate Chambers,  
Washington, D. C.:

The survival of our sheep industry is in the extension of the Wool Act.

HIXON RANCH CO.  
REX HIXSON.

ORDWAY, COLO.

SALIDA, COLO., July 23, 1958.  
Hon. GORDON ALLOTT,  
United States Senate,  
Washington, D. C.:

Please do everything possible to get the wool bill passed.

T. C. ALEXANDER,  
Member, Board of Directors, President of Saguache County Wool Growers Association.

SALIDA, COLO., July 23, 1958.  
Senator GORDON ALLOTT,  
Senate Chamber,  
Washington, D. C.:

Would appreciate all you can do to urgently pass the Wool Act.

JOSEPH R. BERNARD,  
Saguache County Wool Growers.

SALIDA, COLO., July 23, 1958.  
Hon. GORDON ALLOTT,  
Senate Chamber,  
Washington, D. C.:

Respectfully request your immediate support of the Wool Act.

M. R. RIGGENBACH,  
President, Rio Grande Wool Growers.  
MONTE VISTA, COLO.

RIFLE, COLO., July 23, 1958.  
Senator GORDON ALLOTT,  
Senate Building,  
Washington, D. C.:

Your efforts to extend the wool bill before adjournment will be appreciated by our

organization and the sheepmen of western Colorado.

RIFLE PRODUCTION CREDIT ASSOCIATION.

NATIONAL WOOL  
GROWERS ASSOCIATION,  
Salt Lake City, Utah, July 21, 1958.  
Hon. GORDON ALLOTT,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR ALLOTT: Thank you for your letter of July 10 in response to my recent telegram regarding the National Wool Act extension.

Since the sheep industry is a long-range operation and requires considerable planning ahead, it is most important for growers to know this summer what returns they can expect next year so that they can know what to pay for ewe lambs and also to arrange financing for 1959. If the National Wool Act is not extended, increased liquidation of sheep numbers will result. We, therefore, hope that action can be taken either through amending the Senate farm bill to include the Wool Act extension or by bringing S. 2861 to the floor for separate action.

Any assistance you can give us in this connection will be greatly appreciated.

Sincerely yours,

EDWIN E. MARSH,  
Executive Secretary.

RIO GRANDE COUNTY  
FARM BUREAU, INC.,  
Monte Vista, Colo., July 21, 1958.  
Senator GORDON ALLOTT,  
Washington, D. C.

HONORABLE SIR: It has been brought to my attention that the Wool Act for 1959 has not been acted upon in the current legislature.

The Agriculture Committees of both the Senate and House have favorably acted on the wool bill, but it has not been permitted to come to the floor of either House for action.

If there is no congressional action, when the present Wool Act expires at the end of the 1958 marketing year, there will be no law authorizing a support program for wool and no promotion program, either.

The domestic wool industry cannot survive in the face of foreign competition without sufficient tariffs and without any support program.

We trust that you and the Senate will consider this very important matter before adjourning this year.

Yours very truly,

GLEN W. NASH,  
Legislative Chairman.

FARMERS AND MERCHANTS BANK,  
Monte Vista, Colo., July 22, 1958.  
Hon. GORDON ALLOTT,  
United States Senator from Colorado,  
Senate Office Building, Washington,  
D. C.

DEAR MR. ALLOTT: As you no doubt realize, the sheep business is very important to the Rocky Mountain empire. With the incentive payment the growers have been making a small progress with their deals, but without it many would have been forced out of business.

It is imperative that the wool program be renewed, and I hope you will use your influence to get the Wool Act renewed before Congress adjourns.

Very truly yours,

C. W. DORNEY.

MONTE VISTA, COLO., July 22, 1958.  
Senator GORDON ALLOTT,  
Senate Office Building,  
Washington, D. C.:

DEAR SENATOR ALLOTT: Will you please lend your support to the passing of the wool bill before the end of the current session of Congress?

I understand the Agriculture Committees of both Houses have acted favorably on this bill, and we need it here in the West. Your support of this program will greatly be appreciated.

I would also like to urge your support for Federal aid to vocational education. Our vocational agriculture programs are a great asset to our community, State and our Nation.

Thanks for your attention to these matters.

Sincerely,

ROBERT P. KELLY.

Mr. WILLIAMS. Mr. President, I am opposed to the extension of the Brannan plan for the wool industry for another 4 years.

For the past 4 years we have spent over \$180 million in subsidy payments to the producers of wool. Under this formula the farmers can sell their wool in the open market and not be in the least concerned as to the price received since they can bill the United States Government for the differential between the price received and the support price, which for the past several years has been fixed at 62 cents per pound.

The argument is advanced that these subsidy payments go to more than 250,000 wool producers; however, statistics show that while there may be over 250,000 wool producers in America, a substantial part of the benefits goes to a small percentage of the lot.

For instance, in 1956 subsidy payments from the Government in the amount of \$51,870,000 were mailed to 287,229 producers; however, statistics show that while 287,000 producers participated in the 51.8 million subsidy payments in 1956, 6,426, or only 2¼ percent, of this number received 44 percent of the total, or \$22,891,243.93.

As an example of some of the so-called small farmers, who are being helped by this Brannan plan subsidy, the record shows that in 1956 Armour & Co., meatpackers in Chicago, received \$80,990.78, while Swift & Co., also meatpackers in Chicago, received a total of \$58,892.21.

I ask unanimous consent to have printed in the RECORD a table showing breakdown of the distribution of payments of \$1,000 and over by size groups for the year 1956.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Payments under the National Wool Act of 1954—Distribution of payments of \$1,000 or more by size groups

|                     | Shorn wool payments |              | Unshorn lamb payments |             |
|---------------------|---------------------|--------------|-----------------------|-------------|
|                     | Number              | Amount       | Number                | Amount      |
| \$60,000 and over.. | 1                   | \$61,983.80  | -----                 | -----       |
| \$50,000-\$59,999.. | 2                   | 109,905.37   | -----                 | -----       |
| \$40,000-\$49,999.. | 6                   | 262,329.62   | -----                 | -----       |
| \$30,000-\$39,999.. | 12                  | 395,542.92   | -----                 | -----       |
| \$25,000-\$29,999.. | 25                  | 682,603.94   | -----                 | -----       |
| \$20,000-\$24,999.. | 39                  | 862,529.60   | -----                 | -----       |
| \$15,000-\$19,999.. | 71                  | 1,195,604.04 | 1                     | \$19,529.35 |
| \$10,000-\$14,999.. | 209                 | 2,518,648.01 | 7                     | 78,657.25   |
| \$5,000-\$9,999..   | 774                 | 5,321,018.30 | 38                    | 247,172.04  |
| \$3,000-\$4,999..   | 1,108               | 4,285,128.21 | 99                    | 376,175.38  |
| \$2,000-\$2,999..   | 1,253               | 3,067,174.43 | 151                   | 361,450.72  |

Footnote at end of table.



Payments under the National Wool Act of 1954—Distribution of payments of \$1,000 or more by size groups—Continued

|                           | Shorn wool payments |                | Unshorn lamb payments |              |
|---------------------------|---------------------|----------------|-----------------------|--------------|
|                           | Number              | Amount         | Number                | Amount       |
| \$1,000-\$1,999.....      | 2,926               | \$4,128,775.69 | 667                   | \$915,748.11 |
| Total 1,000 and over..... | 6,426               | 22,891,243.93  | 963                   | 1,998,732.85 |

Compiled by Livestock and Dairy Division, CSS, U. S. Department of Agriculture from listings submitted by ASC county offices pursuant to Notice LD-40 (Jan. 28, 1958) and telegram Feb. 7, 1958, to ASC State offices requesting a special report on payments made by each ASC county office. Payments to the same grower by more than 1 county office have not been combined and are shown in this report as separate payments.

<sup>1</sup> Growers receiving payments of \$1,000 or more on either shorn wool or unshorn lambs for the 1956 marketing year listed according to amount of payment.

Mr. WILLIAMS. There were 365 wool producers who received \$10,000 or more each, as shorn wool payments, or a total of \$6,089,147.30, which represents an average of over \$16,500 each.

These 365 producers, out of the total of 287,000 wool producers received 11½ percent of the payments, yet they represented only about one-eighth of 1 percent of the number of producers.

When this program was first started the proponents argued that it would be self-supporting by setting aside the custom payments received on the importation of wool. At the time the fund had an accumulated balance of \$68,655,000. In 1955, 1956, 1957, and 1958 collections in the amounts of \$31,480,000, \$28,157,000, \$23,390,000, and \$33,015,000 were added, bringing the total to \$184,697,000. Total payments under the wool-subsidy program for the years 1955, 1956, 1957, and 1958 were listed as follows:

|           |              |
|-----------|--------------|
| 1955..... | \$58,000,000 |
| 1956..... | 53,100,000   |
| 1957..... | 30,900,000   |
| 1958..... | 42,000,000   |

Figures for the years 1957 and 1958 are estimates.

As indicated from this report the fund is broke, and there is not enough money available at the present time to continue making payments even under the existing law. This is recognized by the proponents of this legislation when under section (b) of the pending proposal there is contained the enabling authorization for the appropriation of whatever further amounts may be necessary.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. YOUNG. That provision was changed after the bill left the committee. The price support is now limited to 85 percent of parity if there is not sufficient income from the tariff.

Mr. WILLIAMS. The amendment still carries enabling legislation to appropriate whatever money may be necessary to make the payment, up to 85 percent; does it not?

Mr. YOUNG. That is correct.

Mr. WILLIAMS. That is what I said.

Imagine the potential cost should this socialistic formula be extended to all agriculture programs as was advocated under the preceding administration and

as will be advocated again unless this principle is stopped. There is not money in the Federal Treasury to advance such a wholesale giveaway program.

Only recently this same socialistic formula was approved by the Senate for practically the entire mining industry, and that measure is now pending before the House of Representatives.

With our Government currently spending at a rate of over \$1 billion per month in excess of its income it is time for the Congress to call a halt to these expensive programs—otherwise, we will be responsible for touching off another round of inflation.

Let us not overlook the fact that our national debt is already bumping the ceiling, and the most conservative estimate for the next fiscal year is that at a minimum we will have a deficit in excess of \$10 billion. This has got to stop, and the time to stop it is now. Let us stop authorizing these socialistic gravy trains for every special group.

I ask unanimous consent to have inserted in the RECORD a list of those subsidy payments which were made to the wool producers of \$10,000 or more.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Warren Livestock Co., Cheyenne, Wyo., \$61,983.80.  
M. & R. Sheep Co., Oildale, Calif., \$56,831.49.  
Armour & Co., West Fargo, N. Dak., \$53,073.88.  
Bolthauser & Moyer, Inc., Fargo, N. Dak., \$46,501.95.  
Covey Bagley et al., Cokeville, Wyo., \$46,035.35.  
Salzer Land Co., Corcoran, Calif., \$44,001.78.  
Blair & Hay Land and Livestock, Rock Springs, Wyo., \$42,792.03.  
Deseret Livestock Co., Salt Lake City, Utah, \$41,623.37.  
Paul Blood, Morrill, Nebr., \$41,375.14.  
Bruneau Sheep Co., Boise, Idaho, \$39,327.25.  
Herman Werner, Casper, Wyo., \$36,603.87.  
Hendricks Co., Flying H, N. Mex., \$36,233.56.  
J. E. White & Sons, Marfa, Tex., \$34,051.14.  
C. B. Land & Cattle Co., Ely, Nev., \$31,661.84.  
Flat Top Sheep Co., Jerome, Idaho, \$31,613.91.  
Ray W. Willoughby, San Angelo, Tex., \$31,608.89.  
Frank A. Hubbell Co., Albuquerque, N. Mex., \$31,243.44.  
Redd Ranches, LaSalle, Utah, \$31,148.49.  
Table Mountain Co., Willow Creek, Mont., \$30,881.31.  
Emmett Elizondo, Fruita, Colo., \$30,803.14.  
C. M. French, Willows, Calif., \$30,366.08.  
James Iriart, Bakersfield, Calif., \$29,835.20.  
J. R. Broadbent, Evanston, Wyo., \$28,839.58.  
Palm Livestock Co., Elk Mountain, Wyo., \$28,748.99.  
Seaton Ranch Co., Fort Shaw, Mont., \$28,510.46.  
Swift & Co., Omaha, Nebr., \$28,364.35.  
Bridgaray & Sagardia Bros., Fresno, Calif., \$28,241.37.  
Gaston Erramouspe, Rock Springs, Wyo., \$28,230.86.  
John D. O'Conner & Sons, Klamath Falls, Oreg., \$28,087.95.  
C. F. Flower, Sunnyside, Wash., \$27,905.14.  
Wardlaw Bros., Del Rio, Tex., \$27,809.30.  
Werner, Inc., Casper, Wyo., \$27,651.38.

Jumpcreek Sheep Co., Boise, Idaho, \$27,570.82.  
J. P. White, Jr., Roswell, N. Mex., \$27,425.22.  
Paradise Sheep Co., Phoenix, Ariz., \$27,337.06.  
Sutter Basin Corp., Robbins, Calif., \$27,299.62.  
Hatch Bros. Co., Woods Cross, Utah, \$27,065.53.  
E. R. E. Sheep Co., Bakersfield, Calif., \$27,030.64.  
Mortons, Inc., Douglas, Wyo., \$26,617.87.  
Cow Creek & Pioneer Co., Rawlins, Wyo., \$26,578.74.  
Fowlkes Bros., Marfa, Tex., \$26,105.22.  
G. N. Nelson & Sons, Denver, Colo., \$26,005.96.  
Diamond Ring Co., Casper, Wyo., \$25,555.27.  
Bidart Bros. & Tejon Co., Bakersfield, Calif., \$25,340.06.  
Sullivan Co., Medicine Bow, Wyo., \$25,269.79.  
Joseph Mouren & Sons, Huron, Calif., \$25,177.56.  
Bar X Sheep Co., Rock Springs, Wyo., \$24,968.17.  
Sieben Livestock Co., Helena, Mont., \$24,860.32.  
Hixson Ranch, Ordway, Colo., \$24,605.83.  
Fred W. Bennett & Son., Mountain Home, Idaho, \$24,444.49.  
W. T. Jenkins Co., Battle Mountain, Nev., \$24,281.12.  
AJA Sheep Co., Buckeye, Ariz., \$24,167.75.  
Faure & Servel, Quincy, Wash., \$24,117.51.  
Perry Land & Livestock Co., North Salt Lake, Utah, \$24,071.38.  
L. U. Sheep Co., Worland, Wyo., \$23,824.89.  
Mervin Derue, Starbuck, Wash., \$23,805.49.  
Fine Sheep Co., Nyssa, Ore., \$23,353.79.  
Carl E. Nicholson, Boise, Idaho, \$23,206.26.  
Bacon Ls Co., Inc., Jerome, Idaho, \$23,063.58.  
E. Quintana, Marsing, Idaho, \$22,421.54.  
Ramon Perez, Vaughn, N. Mex., \$22,409.91.  
Imperial Land & Cattle Co., Imperial, Calif., \$22,306.87.  
A. J. Vey, Echo, Oreg., \$22,242.27.  
A. T. McDannald, Hartsel, Colo., \$22,101.76.  
YO Ranch, Mountain Home, Tex., \$22,098.16.  
C. A. Lewis, Cowley, Wyo., \$21,855.22.  
Frisco Mt. Sheep Co., Phoenix, Ariz., \$21,757.86.  
Sieben Ranch Co., Helena, Mont., \$21,684.19.  
Sycamore Feed Yard, Sycamore, Ill., \$21,648.41.  
Ray Eyherabide, Bakersfield, Calif., \$21,569.20.  
J. P. Ansolabehere, Bakersfield, Calif., \$21,318.13.  
L. L. Sheep Co., Casper, Wyo., \$21,200.57.  
Joe Mendiburu, Oildale, Calif., \$21,137.85.  
Stratton Sheep Co., Rawlins, Wyo., \$21,128.48.  
Lee B. & Harold Corn, Roswell, N. Mex., \$21,025.78.  
Two Bar Livestock Co., Casper, Wyo., \$20,634.07.  
E. V. Wing, Gerber, Calif., \$20,508.56.  
Midland Duntun Sheep Co., Rock Springs, Wyo., \$20,198.  
Soulen Livestock Co., Weiser, Idaho, \$20,124.81.  
J. D. Aldecoa & Son, Boise, Idaho, \$20,112.38.  
Jack Lane, Ketchum, Idaho, \$20,111.59.  
Simon Harriet & Sons, Buffalo, Wyo., \$20,076.48.  
H. H. McGee, Roswell, N. Mex., \$20,061.24.  
Shamrock Ranch Co., Casper, Wyo., \$20,023.38.  
Pat & Abb Rose, Del Rio, Tex., \$20,002.31.  
Manger Ranches, Inc., West Sulphur Springs, Mont., \$19,975.87.  
Burke Sheep Co., Casper, Wyo., \$19,752.20.  
Miller Bros., Inc., Cleveland, Mont., \$19,588.  
Espil Sheep Co., Glendale, Ariz., \$19,564.93.



- Parrott Investment Co., Chico, Calif., \$19,290.13.
- Green River & Big Sandy Livestock, Rock Springs, Wyo., \$19,160.31.
- George Coutis, Worland, Wyo., \$18,958.36.
- Kuhr Land & Livestock, Cleveland, Mont., \$18,909.40.
- R. H. Bennett & Son, Mountain Home, Idaho, \$18,805.72.
- Magagna Bros., Rock Springs, Wyo., \$18,770.47.
- Milton Rudnick, Bakersfield, Calif., \$18,752.15.
- Pete Itlana, Deeth, Nev., \$18,637.81.
- W. H. & W. E. Corn, Roswell, N. Mex., \$18,576.77.
- Field Bros., Sonora, Tex., \$18,349.39.
- Lloyd Sorensen, Elko, Nev., \$18,318.96.
- Smith Creek Livestock Co., Elko, Nev., \$18,182.47.
- Leo Sheep Co., Rawlins, Wyo., \$18,164.58.
- Bill Smith, Boise, Idaho, \$18,156.87.
- National Livestock Co., Carlsbad, N. Mex., \$17,795.71.
- Grabart Bros., Emblem, Wyo., \$17,772.77.
- Sylvan Pauly, Deer Lodge, Mont., \$17,691.99.
- R. C. Rich Sheep Co., Burley, Idaho, \$17,684.91.
- John & George Arkoosh, Gooding, Idaho, \$17,583.86.
- John Ells, Casper, Wyo., \$17,459.07.
- Big Timber Livestock Co., Billings, Mont., \$17,357.67.
- Leland Ray Smith, Cralg, Colo., \$17,349.68.
- Charles Lau, Idaho Falls, Idaho, \$17,263.18.
- Hammett Livestock Co., Hammett, Idaho, \$17,237.21.
- Peter H. Anderson, Alder, Mont., \$17,202.72.
- Coffin Sheep Co., Yakima, Wash., \$17,103.89.
- Highland Livestock & Land Co., Emmett, Idaho, \$17,091.32.
- McGregor Land & Livestock Co., Hooper, Wash., \$17,030.88.
- Estate of J. A. Manterola, Peoria, Ariz., \$16,739.46.
- Clayton Long, Shoshoni, Wyo., \$16,707.27.
- Spencer Sheep Co., Idaho Falls, Idaho, \$16,667.83.
- Frank Runyan, Hope, N. Mex., \$16,582.33.
- Buzzard Ranch Co., Alcova, Wyo., \$16,363.38.
- Cokeville Land & Livestock, Cokeville, Wyo., \$16,314.44.
- Taylor Ranch Co., Midwest, Wyo., \$16,239.30.
- J. B. Saldubehere, Bakersfield, Calif., \$16,126.23.
- Idaho Livestock Co., Challis, Idaho, \$15,922.98.
- Ralph Faulkner, Gooding, Idaho, \$15,909.94.
- J. L. Sprinkle Co., Chinook, Mont., \$15,868.60.
- Dan J. Cavanugh, Twin Falls, Idaho, \$15,867.22.
- Roy Combs, Douglas, Wyo., \$15,822.15.
- Macrae Sheep Co., Paul, Idaho, \$15,780.92.
- Noriega Sheep Co., Bakersfield, Calif., \$15,730.09.
- Cunningham Sheep Co., Pendleton, Oreg., \$15,695.88.
- Mauricio Guerry & Son, Castleford, Idaho, \$15,639.39.
- Spring Valley Livestock Co., Caldwell, Idaho, \$15,601.74.
- Gilbert Livestock Co., Alder, Mont., \$15,538.18.
- J. Perry Olson, Grand Junction, Colo., \$15,578.50.
- John Pouchoulou, Montrose, Colo., \$15,568.50.
- J. & F. Ansolabehere, Bakersfield, Calif., \$15,567.97.
- E. W. Clarkson, Belle Fourche, S. Dak., \$15,559.41.
- Silver Lake Ranches, Inc., Brackettville, Tex., \$15,552.12.
- B. B. Dunbar, Uvalde, Tex., \$15,477.50.
- Dolph Briscoe, Jr., Uvalde, Tex., \$15,475.11.
- Rosebud Livestock Co., Winnemucca, Nev., \$15,410.27.
- Fernandez Co., San Mateo, N. Mex., \$15,409.40.
- Pickett Sheep Co., Oakley, Idaho, \$15,366.28.
- Yparrea Bros., Fresno, Calif., \$15,363.30.
- Bertrand Parls, et al., Cherry Creek, Nev., \$15,361.42.
- Brailsford Bros., Inc., Hagerman, Idaho, \$15,314.32.
- Herbert M. Corn, Roswell, N. Mex., \$15,295.15.
- N. J. Meagher, Vernal, Utah, \$15,179.07.
- John G. Indart, Fresno, Calif., \$15,157.80.
- H. C. Dobson, Mesna, Ariz., \$15,122.66.
- Charles F. Waller, Roswell, N. Mex., \$15,104.34.
- Marley & Whitney, Roswell, N. Mex., \$15,032.18.
- Mau Sheep Co., Rock Springs, Wyo., \$15,002.16.
- Fred N. Laidlaw, Inc., Muldoon, Idaho, \$14,975.83.
- Ben Roberts, Alcova, Wyo., \$14,946.44.
- W. F. Waller, Roswell, N. Mex., \$14,924.11.
- Tom Drumheller, Ephrata, Wash., \$14,877.47.
- John Mitchell, Ozona, Tex., \$14,844.82.
- Mark Davis, Casper, Wyo., \$14,842.94.
- Meagher Co., Hayden, Colo., \$14,838.41.
- Big Trails Sheep Co., Worland, Wyo., \$14,834.31.
- Allison Ranch Co., Fort Stockton, Tex., \$14,780.79.
- Harry Katseanes, Blackfoot, Idaho, \$14,759.64.
- George Clements, Picacho, N. Mex., \$14,716.13.
- B. E. Willson, Del Rio, Tex., \$14,696.37.
- E. F. Noelke estate, Rankin, Tex., \$14,680.49.
- W. A. Sterrett, Roswell, N. Mex., \$14,666.47.
- J. P. Espy, Fort Davis, Tex., \$14,652.27.
- A. Saldubehere, Lancaster, Calif., \$14,613.32.
- Ray Jarret, Britton, S. Dak., \$14,589.35.
- John P. Cooney & Sons, Harlowton, Mont., \$14,550.28.
- L. W. Roberts, Cokeville, Wyo., \$14,466.78.
- William S. Young, Coalville, Utah, \$14,386.80.
- B. B. Brooks Co., Casper, Wyo., \$14,381.66.
- White Acorn Sheep Co., Rock Springs, Wyo., \$14,345.68.
- Little & Wilson Sheep Co., Emmett, Idaho, \$14,304.49.
- John Iberlin & Sons, Buffalo, Wyo., \$14,260.76.
- Russell Spencer et al., Sanderson, Tex., \$14,182.73.
- Louis Larsen Sheep Co., Rawlins, Wyo., \$14,088.03.
- Uinta Livestock Corp., Lyman, Wyo., \$14,059.07.
- James Schled, Jerome, Idaho, \$14,021.62.
- Dan H. Hughes, Montrose, Colo., \$13,988.72.
- Sario Livestock Co., Gardnerville, Nev., \$13,888.09.
- Pine Grove Livestock Co., Rawlins, Wyo., \$13,886.02.
- Arambel & Erreca, Los Banos, Calif., \$13,858.27.
- Frank Williams, Grand Junction, Colo., \$13,765.48.
- Simon Martinez, Sunnyside, Wash., \$13,740.47.
- Rath Packing Co., Waterloo, Iowa, \$13,716.36.
- Erreca & Laxague, Los Banos, Calif., \$13,716.24.
- E. B. Elgorriaga, Madera, Calif., \$13,694.76.
- Owen Bros., San Saba, Tex., \$13,692.41.
- Berg Christlanson Co., Dillon, Mont., \$13,666.47.
- James Barquin, Rlverton, Wyo., \$13,654.11.
- Pete Yrueta Co., Winnemucca, Nev., \$13,642.33.
- Cohn Livestock Co., Hermiston, Oreg., \$13,616.10.
- Fremont Sheep Co., Rlverton, Wyo., \$13,582.77.
- John Narbaitz, Firebaugh, Calif., \$13,460.70.
- Little Land & Ls Co., Howe, Idaho, \$13,430.81.
- Albert Holland, Worland, Wyo., \$13,429.71.
- M. & G. Bertagnole, Salt Lake City, Utah, \$13,389.37.
- Ohaco Sheep Co., Casa Grande, Ariz., \$13,285.22.
- J. H. Clements, Jr., Hope, N. Mex., \$13,260.69.
- Yellowstone Sheep Co., Rawlins, Wyo., \$13,251.89.
- Victor I. Pierce, Ozona, Tex., \$13,188.14.
- J. Burton Tuttle, Snowmass, Colo., \$13,187.23.
- Holmes Livestock Co., Chlco, Calif., \$13,152.21.
- Bradley Neff Sheep Co., Kemmerer, Wyo., \$13,104.96.
- Cherry Creek Sheep Co., Ingomar, Mont., \$12,972.92.
- Alfred Kuhn, Sacramento, Calif., \$12,951.45.
- Pratt Cattle Co., Bracketville, Tex., \$12,941.18.
- W. D. Beers & Son, Salt Lake City, Utah, \$12,868.48.
- S. L. Stumberg, Sanderson, Tex., \$12,855.35.
- F. V. Cauhape, Hope, N. Mex., \$12,847.69.
- Williams & Tavenner, Deer Lodge, Mont., \$12,805.65.
- S. Clyde Marley, Roswell, N. Mex., \$12,773.80.
- Bar C Ranch, Fort Collins, Colo., \$12,748.95.
- C. P. Johnson & Sons, Casper, Wyo., \$12,675.38.
- Nick Muir, Harlowton, Mont., \$12,652.34.
- Runyan Bros., Pinon, N. Mex., \$12,652.02.
- R. I. Oil & RFA Co., Dillon, Mont., \$12,649.87.
- Etcheverry Sheep Co., Cokeville, Wyo., \$12,637.02.
- Labarge Livestock Co., Rock Springs, Wyo., \$12,631.64.
- Kuhn & Miller, Sacramento, Calif., \$12,621.83.
- Castle Mountain Co., White Sulphur Springs, Mont., \$12,603.30.
- Elbert Overton & Son, Yesso, N. Mex., \$12,590.03.
- Ray Finley, Cutbank, Mont., \$12,587.08.
- Van Irvine, Midwest, Wyo., \$12,576.44.
- Andrew Little, Jr., Emmett, Idaho, \$12,572.10.
- J. L. Sheep Co., Inc., Muldoon, Idaho, \$12,555.34.
- John Uhalde & Co., Ely, Nev., \$12,549.99.
- G. L. Livestock Co., Rawlins, Wyo., \$12,497.82.
- John Briggs & Son, Dell, Mont., \$12,478.08.
- B. H. Roblson, Ely, Nev., \$12,462.81.
- John H. Anderson, Jr., Alder, Mont., \$12,447.74.
- Horner J. Brown, Dixon, Calif., \$12,435.23.
- Martin Paternain, Los Banos, Calif., \$12,368.73.
- G. A. Hanson Sheep Co., Salt Lake City, Utah, \$12,361.36.
- Ball Bros., Lewisville, Idaho, \$12,360.75.
- Wickahoney Sheep Co., Bruneau, Idaho, \$12,336.18.
- Broadbent Livestock Co., El Centro, Calif., \$12,315.58.
- J. B. Blakeney Ranch, San Angelo, Tex., \$12,307.75.
- A. Steidlmayer & Sons, Colusa, Calif., \$12,299.37.
- Adams & Haliday, Blanding, Utah, \$12,179.30.
- J. C. Siddoway & Son, Teton, Idaho, \$12,146.58.
- Borda Land & Sheep Co., Carson City, Nev., \$12,096.92.
- John Aldasoro, Telluride, Colo., \$12,092.99.
- Estate of Ray Talbott, Los Banos, Calif., \$12,059.72.
- Ruehl & Arnstein, Inc., Spokane, Wash., \$12,059.17.
- L. Pache Co., Tinnle, N. Mex., \$12,024.02.
- Phil Hoon, Moses Lake, Wash., \$12,014.37.
- Tobe Foster Estate, Capitan, N. Mex., \$11,993.82.
- Tom D. White, Roswell, N. Mex., \$11,991.05.



Wyatt Livestock Co., Yakima, Wash., \$11,987.11.  
 Jose Azparren, Fresno, Calif., \$11,917.55.  
 Hislop & Son, Spokane, Wash., \$11,907.76.  
 Alden K. Barton & Sons, Manti, Utah, \$11,907.10.  
 Petersen Ranch, Brakettville, Tex., \$11,893.45.  
 J. G. Lewis, Jr., Dixon, Calif., \$11,875.51.  
 Ellison Ranching Co., Tuscarora, Nev., \$11,828.26.  
 Adolph Stieler, Comfort, Tex., \$11,817.26.  
 Hudspeth Land & Livestock Co., Prineville, Oreg., \$11,799.84.  
 Slaughter Ranch, Roswell, N. Mex., \$11,765.97.  
 Labonte Ranch, Douglas, Wyo., \$11,693.48.  
 J. S. Woosley & Son, Ten Sleep, Wyo., \$11,676.  
 Glen Knapp, Caldwell, Idaho, \$11,664.10.  
 George Stover, Weiser, Idaho, \$11,659.71.  
 Mitchell Lecertua & Son, Shoshone, Idaho, \$11,616.15.  
 Eugenio Perez Ranch, Vaughn, N. Mex., \$11,552.31.  
 L. W. Goffena, Roundup, Mont., \$11,524.44.  
 A. S. Patterson, Roswell, N. Mex., \$11,468.16.  
 Allied Land & Livestock, Elko, Nev., \$11,461.69.  
 Red Hill Sheep Co., Wickenburg, Ariz., \$11,457.46.  
 Thousand Peaks Livestock Co., Salt Lake City, Utah, \$11,441.37.  
 Eusebio Astorquia, Gooding, Idaho, \$11,437.54.  
 Owen Prather, Pinon, N. Mex., \$11,435.39.  
 Rochelle Sheep Co., Armino, Wyo., \$11,398.33.  
 Blake Sheep Co., Rawlins, Wyo., \$11,395.58.  
 Hart & Ingram, Fowler, Colo., \$11,384.03.  
 Nich Chournos, Tremonton, Utah, \$11,353.01.  
 J. W. Newman, Twin Falls, Idaho, \$11,335.28.  
 Alfonso Sario, Reno, Nev., \$11,334.44.  
 Tooby Bros., Eureka, Calif., \$11,315.21.  
 Reynolds & Asbill, Yesso, N. Mex., \$11,294.07.  
 J. G. or D. A. Broadbent, Lyman, Wyo., \$11,253.78.  
 E. C. Longmire Co., Willows, Calif., \$11,246.95.  
 T. M. Sanders, Glenwood Springs, Colo., \$11,243.05.  
 Lockett Sheep Co., Phoenix, Ariz., \$11,212.97.  
 Hutto Bros., Carta Valley, Tex., \$11,207.17.  
 Wm. E. Crews, Jr., Marfa, Tex., \$11,203.41.  
 Pleas Childress, Ozona, Tex., \$11,191.48.  
 Byron J. Taylor, Selden, Kans., \$11,181.51.  
 Mrs. Annie F. Long, Shoshoni, Wyo., \$11,169.90.  
 Harold Thompson Estate, Cokeville, Wyo., \$11,122.13.  
 Frank Oneida & Sons, Shoshone, Idaho, \$11,026.23.  
 E. A. Stolworthy & Sons, Idaho Falls, Idaho, \$11,021.31.  
 Clarence Quinlan, Antonito, Colo., \$11,001.58.  
 Charles R. Kippin, Morgan, Utah, \$10,982.15.  
 Thompson Bros., Mountains Home, Idaho, \$10,970.34.  
 J. Golden Bair, Glenwood Springs, Colo., \$10,955.82.  
 Joe B. Mayer, Big Lake, Tex., \$10,939.42.  
 Magnuson Ranch, McGill, Nev., \$10,928.86.  
 E. E. McPherrin, Live Oak, Calif., \$10,900.82.  
 Rees T. Jenkins, Susanville, Calif., \$10,865.64.  
 Ansolabehere Bros., Bakersfield, Calif., \$10,846.39.  
 Mayland Bros., Emblem, Wyo., \$10,842.66.  
 Dick and Tom Moore, Douglas, Wyo., \$10,838.07.  
 D. Eyherabide, Bakersfield, Calif., \$10,781.20.  
 Colby Sheep Co., Great Falls, Mont., \$10,765.91.  
 Claude Collins, Jr., San Angelo, Tex., \$10,757.75.  
 N. D. Blackstone II, Ozona, Tex., \$10,741.79.

Taft Paxton, Kanosh, Utah, \$10,725.72.  
 Edward Sargent, Chama, N. Mex., \$10,720.96.  
 Neidiffer Strickland Rubin, Holtville, Calif., \$10,713.80.  
 Geo. O. Teel, Hope, N. Mex., \$10,696.48.  
 Itchnina and Arram Bide, Malta, Mont., \$10,675.17.  
 Graig Cornell Co., Dillon, Mont., \$10,667.84.  
 Sandstone Sheep Co., Rawlins, Wyo., \$10,657.20.  
 Lloyd Keller, Ogden, Utah, \$10,632.76.  
 Ray Anchprdguy, Red Bluff, Calif., \$10,622.28.  
 Fernando Giocacchea, Elko, Nev., \$10,610.53.  
 William I. Moore, Sheridan, Wyo., \$10,605.98.  
 W. C. Bates, Carlsbad, N. Mex., \$10,598.11.  
 Dick Alexander, Brownwood, Tex., \$10,581.71.  
 Cross Mt. Sheep Co., Casa Grande, Ariz., \$10,569.86.  
 Dubuque Packing Co., Dubuque, Iowa, \$10,563.60.  
 Bud Wilson, Lucille, Idaho, \$10,549.50.  
 Glenn Briggs, Murtagh, \$10,543.30.  
 Angus McIntosh, Las Animas, Colo., \$10,522.56.  
 The Merriam Co., Moneta, Wyo., \$10,519.77.  
 Cargile & Son, San Angelo, Tex., \$10,517.35.  
 Austin Milspaugh, Ozona, Tex., \$10,515.76.  
 A. R. Pardue, Cut Bank, Mont., \$10,483.90.  
 Clyde Earwood, Brackettville, Tex., \$10,483.46.  
 Lockhart Oil & Livestock, San Antonio, Tex., \$10,478.96.  
 Frank Jouglard, Soda Springs, Idaho, \$10,471.86.  
 N. & N. Land & Livestock Co., Miles City, Mont., \$10,459.61.  
 P. H. Livestock Co., Rawlins, Wyo., \$10,456.30.  
 Patrick Rose, Jr., Del Rio, Tex., \$10,453.72.  
 Frank Paxton & Family, Montrose, Colo., \$10,422.08.  
 D. Olcomendy & Son, Stockton, Calif., \$10,416.49.  
 Herman Goodrun, Picacho, N. Mex., \$10,415.26.  
 Frank Wilkinson & Sons, Heppner, Oreg., \$10,349.90.  
 Werner Irvine, Inc., Casper, Wyo., \$10,313.91.  
 Cow Creek Co., Rawlins, Wyo., \$10,303.63.  
 Ed C. Mayfield, Sonora, Tex., \$10,277.60.  
 W. N. & L. R. Reed, Sterling City, Tex., \$10,274.27.  
 John Childress, Ozona, Tex., \$10,274.16.  
 Howard Sheridan, Hoover, S. Dak., \$10,251.33.  
 Velma C. Clark, Lincoln, Calif., \$10,243.56.  
 Alfred J. Burke, Hoover, S. Dak., \$10,237.89.  
 Continental Rambler Co., Rawlins, Wyo., \$10,236.79.  
 Pendleton Ranches, Pendleton, Oreg., \$10,219.09.  
 Ben Etchegoin, Fresno, Calif., \$10,216.49.  
 S. & A. Sheep Co., Bakersfield, Calif., \$10,177.75.  
 Evans Ranch Co., Sanderson, Tex., \$10,136.80.  
 Parley Probst, Heber, Utah, \$10,134.72.  
 Dan McIntyre, Hotchkiss, Colo., \$10,129.40.  
 Double Springs Livestock Co., May, Idaho, \$10,111.86.  
 Black Butte Sheep Co., Billings, Mont., \$10,095.93.  
 Lester Stratton, Wentworth, S. Dak., \$10,083.47.  
 Frank Peters, Tinnle, N. Mex., \$10,072.91.  
 Hindi Sheep Co., Duran, N. Mex., \$10,065.98.  
 Whitney Ranch, Sacramento, Calif., \$10,052.88.  
 Idaho Agricultural Experiment Station, Moscow, Idaho, \$10,028.81.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD prior to the vote on the

Young amendment a statement I have prepared thereon.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### WOOL AMENDMENT

(Statement by Senator HUMPHREY)

As a cosponsor of the bill now on the Senate Calendar providing for extension of the Wool Act, I am naturally anxious to see favorable action before Congress adjourns. It is my hope to get such action, one way or another, so the wool industry will know where it stands.

However, I have indicated my doubts about the strategy of seeking to tack the Wool Act extension onto the pending farm bill before the Senate, as an amendment, because of the weaknesses in the farm bill itself.

Perhaps I would not be so dubious about such a course if there were any reasonable assurance this bill can be improved sufficiently to hold some promise of acceptance in the other House.

In my judgment, it would have been a wiser course to wait until we have neared completion of work on this bill before calling up the wool amendment.

However, the Senator from North Dakota has called up the amendment. He has been a good friend of agriculture, and has not let partisan lines stand in the way of trying to improve our farm legislation whenever possible.

For that reason I shall support his amendment, but only with the word of caution that I may yet find it impossible to vote for this bill until further improvements are made. I hope our friends from wool States who have been so concerned about this wool legislation will show equal concern for other commodities, and help improve the rest of the bill. I am quite sure that the final test as to whether or not many of us now willing to vote favorably on the wool amendment can vote for the final bill will depend on how much help we get in making other needed changes in the bill.

Part of our problem in getting action separately on the wool legislation has been quite frankly the failure of many Wool Act supporters to cooperate with other commodity groups. I am saying this as a friend of the wool producers: the reason they have had trouble getting this Wool Act extended, to a large degree, has been the lack of interest of some wool spokesmen in problems of other farm people.

All agriculture is a minority, and we cannot get anywhere by further splitting up the voice of the minority group. Farm groups need to cooperate and work together. The wool industry is no exception.

I hope we can count on some help from the wool group in meeting the problems of corn and feed-grain producers, and dairy producers.

Unless we do, many Senators who would otherwise support the wool legislation will likely vote against this bill.

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the RECORD, at a point before the vote on the Young amendment, a statement in support of the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR COOPER

Kentucky has historically been one of the leading farm flock States. For many years, the Bourbon stockyards, in Louisville, was the greatest spring lamb market in the world.

In Kentucky sheep numbers had sharply decreased from 1949 to 1954. But since the



inauguration of the Wool Act the decline in production has been reversed.

For example, on January 1, 1957, there were 605,000 head of sheep in Kentucky. On January 1 of this year, 1 year later, there were 623,000 head of sheep. The Wool Act is producing an increased production in Kentucky.

Ten thousand eight hundred and eighty-five farm flock operators in Kentucky participated in the incentive program last year. We produce one of the better wools in the fleece wool States of the Nation. It is recognized as a clean wool, for our sheep are raised on good grass with very little dirt, and our wools bring a premium price.

I think the Senators from the Western States will agree that Kentucky furnishes a prime market for the ewe lambs they sell. Their blackface western ewes come to Kentucky as replacements and to increase production. The Wool Act has been, as Congress intended, an incentive to increase production of this basic livestock industry, in which we do not produce in sufficient supply for our own civilian consumption.

To our wool growers in Kentucky, one of the most important sections of the Wool Act has been the self-help program included in section 708. Through this program our growers join with the other growers of the Nation in promoting the use of wool and lamb.

An incentive program for wool, without the self-help plan, enables our growers to promote their own products. The more they can promote the sale of lamb and wool, the smaller will be the cost of this incentive program.

I joined as cosponsor of the bill introduced to renew the National Wool Act, which is now offered as an amendment to the pending farm bill.

I strongly urge the renewal of the National Wool Act, and associate myself with my good friends, the Senator from North Dakota [Mr. YOUNG] and the Senator from South Dakota [Mr. MUNDT], on this amendment to extend the act for 4 years, and I strongly endorse a continuation of the self-help promotion feature of section 708.

Mr. BIBLE. Mr. President, I ask unanimous consent to have printed in the RECORD, prior to the vote on the Young amendment, a statement I have prepared in support of the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR BIBLE

In earlier remarks, I reviewed the background of the Wool Act and pointed out how it has been of immeasurable benefit to the Nation's wool producers.

In reviewing some figures, I discovered that the gradual deterioration of the wool industry in the United States in the last half century has been both startling and lamentable. In my own State of Nevada, for example, the shorn wool production in the year 1910 amounted to 8,029,000 pounds. By 1942 this annual figure had dropped to 5,521,000 pounds, while in 1957 the total plummeted to 3,873,000 pounds.

The overall objective of this legislation is to raise the production of wool in the United States to 300 million pounds. We are still more than 50 million pounds short of that figure, but continuance of this legislation gives strong hope that the goal can be achieved in the not too distant future.

Before remedial legislation of this type was enacted, our wool industry faced virtual extinction because of competition with imports of foreign wools and, in more recent years, with increasingly stiff competition from synthetic fibers.

This act has had a beneficial, double-barreled effect. It has brought stability to

the wool industry through incentive payments and, at the same time, through the self-help program established under section 708 of the measure, has boosted considerably the industry's other product which is lamb.

In a referendum held in 1955, growers approved deductions of not to exceed 1 cent a pound from incentive payments on shorn wool and not to exceed 5 cents per hundred-weight from the payments on unshorn lambs for financing an advertising and promotion program. Thus the growers are increasing the demand for their products in the free market through programs which they themselves have organized and financed. As the demand for wool products increases, the amount of payments required from the Government to accomplish the objectives of the act will be reduced.

Since this act was passed in 1954, we have witnessed a decided stimulus in the wool industry. In Nevada, for example, producers received payments totalling \$687,700 for the 1955 marketing year through October 31, 1957.

By providing for an extension of the National Wool Act we will be performing a distinct service, not only to an important segment of our economy that is producing a strategic commodity, but to millions of Americans who rely on wool as one of their basic needs.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from North Dakota [Mr. YOUNG] for himself and the Senator from South Dakota [Mr. MUNDT]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNING], the Senator from Florida [Mr. HOLLAND] and Mr. SMATHERS, the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Delaware [Mr. FREAR] is absent on official business attending the Interparliamentary Union in Rio de Janeiro as an official delegate of the Senate.

The Senator from Massachusetts [Mr. KENNEDY] is absent because of illness.

The Senator from Arkansas [Mr. McCLELLAN] is absent because of a death in his family.

I further announce that if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNING], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea".

I further announce, on this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Delaware would vote

"nay" and the Senator from Florida would vote "yea."

Mr. DIRKSEN. I announce that the Senator from West Virginia [Mr. HOBLITZELL] and the Senator from South Dakota [Mr. CASE] are absent because of official business having been appointed by the Vice President to attend the 49th Congress of the Interparliamentary Union in Rio de Janeiro, and, if present and voting, they would each vote "yea."

The Senator from Connecticut [Mr. BUSH], the Senator from Kentucky [Mr. MORTON], and the Senator from New Jersey [Mr. SMITH] are detained on official business.

The Senator from Vermont [Mr. FLANDERS], and the Senator from Michigan [Mr. POTTER] are necessarily absent.

If present and voting, the Senator from Kentucky [Mr. MORTON] and the Senator from New Jersey [Mr. SMITH] would each vote "yea."

The result was announced—yeas 67, nays 9, as follows:

#### YEAS—67

|              |                 |              |
|--------------|-----------------|--------------|
| Aiken        | Hill            | Mundt        |
| Allott       | Hruska          | Neuberger    |
| Anderson     | Humphrey        | Pastore      |
| Barrett      | Jackson         | Payne        |
| Bennett      | Javits          | Proxmire     |
| Bible        | Jenner          | Purtell      |
| Bricker      | Johnson, Tex.   | Revercomb    |
| Bridges      | Johnston, S. C. | Robertson    |
| Carlson      | Jordan          | Russell      |
| Carroll      | Kefauver        | Saltonstall  |
| Case, N. J.  | Kerr            | Schoeppel    |
| Chavez       | Knowland        | Smith, Maine |
| Church       | Kuchel          | Sparkman     |
| Cooper       | Long            | Stennis      |
| Curtis       | Long            | Symington    |
| Dirksen      | Magnuson        | Talmadge     |
| Dworshak     | Malone          | Thurmond     |
| Eastland     | Mansfield       | Thye         |
| Ellender     | Martin, Iowa    | Watkins      |
| Ervin        | Martin, Pa.     | Wiley        |
| Goldwater    | McNamara        | Young        |
| Hayden       | Monroney        |              |
| Hickenlooper | Morse           |              |

#### NAYS—9

|          |         |          |
|----------|---------|----------|
| Beall    | Clark   | Ives     |
| Butler   | Cotton  | Lausche  |
| Capehart | Douglas | Williams |

#### NOT VOTING—20

|               |            |              |
|---------------|------------|--------------|
| Bush          | Green      | Murray       |
| Byrd          | Hennings   | O'Mahoney    |
| Case, S. Dak. | Hoblitzell | Potter       |
| Flanders      | Holland    | Smathers     |
| Frear         | Kennedy    | Smith, N. J. |
| Fulbright     | McClellan  | Yarborough   |
| Gore          | Morton     |              |

So the modified amendment offered by Mr. YOUNG, on behalf of himself and other Senators, was agreed to.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. HAYDEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SYMINGTON. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The amendment offered by Mr. SYMINGTON is as follows: On page 5, beginning with line 2, strike out all down through line 2 on page 6, and insert in lieu thereof the following:

"SEC. 102. (a) Section 101 (b) of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following: 'Provided, That the level of price support for



upland cotton may be less than the minimum level provided in the foregoing table, but not less than 65 percent of the parity price, if the Secretary, after consideration of the applicable factors specified in section 401 (b), determines that such lower level is desirable and proper."

(b) Title I of such act is amended by adding at the end thereof a new section as follows:

"SEC. 103. Middling 1 inch and grade numbered 3, one and seven-sixteenths inches shall be the standard quality of upland and extra long staple cotton, respectively, for purposes of price support under this act."

(c) The amendments made by this section shall be effective with respect to the 1961 and subsequent crops of cotton.

On page 15, beginning with the comma in line 6, strike all through the word "that" in line 10.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. SYMINGTON].

#### ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I wish to announce that we will have no further votes this evening. The Senate will meet tomorrow at 10 o'clock, if it is agreeable. Nothing controversial will be considered this evening.

#### PRINTING OF PUBLIC HEARINGS ON PHYSICAL RESEARCH PROGRAM AS IT RELATES TO THE FIELD OF ATOMIC ENERGY

Mr. PASTORE. Mr. President, I ask unanimous consent that the unfinished business, the farm bill, be temporarily laid aside and that the Senate proceed to the consideration of Calendar 1969, House Concurrent Resolution 325.

The PRESIDING OFFICER. The concurrent resolution will be read.

The concurrent resolution was read, as follows:

*Resolved by the House of Representatives (The Senate concurring), That the Joint Committee on Atomic Energy be authorized to have printed for its use 10,000 copies of the public hearings on "Physical research program as it relates to the field of atomic energy," held by the Subcommittee on Research and Development during the 85th Congress, 2d session; and be it further*

*Resolved, That the Joint Committee be authorized to have printed 10,000 copies of the report on the above hearings; and be it further*

*Resolved, That the Joint Committee be authorized to have printed 2,000 copies of the index of the above hearings.*

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 325) was considered and agreed to.

Mr. PASTORE. Mr. President, I ask unanimous consent that a statement explaining House Concurrent Resolution 325 be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR PASTORE

I support House Concurrent Resolution 325, providing for the printing of 10,000

copies of hearings held last February by the Research and Development Subcommittee of the Joint Committee on Atomic Energy on the AEC physical research program. The resolution also provides for an equal number of copies of a subcommittee report. Some 50 of our leading research scientists throughout the country testified at these hearings and the document represents a valuable source of information on the basic research activities going on in this country's laboratories and universities.

Estimated cost of printing the additional copies, over and above normal printing costs for the first thousand copies, is \$9,428. I believe this is a good investment in view of the fact that these hearings are to be given wide distribution throughout America's scientific community and to the public through Members of Congress.

#### ORDER FOR ADJOURNMENT UNTIL 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate completes its business this evening, it stand in adjournment until 10 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. AIKEN. Mr. President, during the course of the debate this afternoon the junior Senator from Minnesota [Mr. HUMPHREY] referred to a press release issued by the Public Relations Committee of the North Carolina Cotton Promotion Association, and approved by HAROLD D. COOLEY. The Senator from Minnesota quoted briefly from the press release. In order to have the full text before the Members of the Senate, I ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., July 24, 1958.—Hope for farm legislation before Congress adjourns has received new life in the House this week, Congressman HAROLD D. COOLEY, chairman of the House Committee on Agriculture, said today.

In an effort to expedite action, the Cotton Subcommittee of the House Committee on Agriculture met yesterday to begin work on a proposal in harmony with the farm bill now receiving attention in the Senate.

As the Senate nears final action on its bill, the House will be in a favorable position to take affirmative action, Mr. COOLEY said. Any differences in the two bills can be worked out in conference following House action, the North Carolina Congressman pointed out.

In a conference Tuesday of this week with A. C. Edwards, executive vice president of the North Carolina Farm Bureau; Robert F. Morgan, chairman of the North Carolina Senate Agricultural Committee; F. H. Heidelberg, executive vice president of the North Carolina Promotion Association; and by phone, with Harry B. Caldwell, master of the North Carolina State Grange, Mr. COOLEY was urged, and agreed, to take this action toward legislation in view of the disastrous situation facing cotton in North Carolina, and throughout the Cotton Belt.

It was recognized in the Tuesday conference that the legislation now under consideration in the Senate has some undesirable features, the principle one being abandonment in 1961 of the parity principle. However, in view of the critical situation, the helpful aspects of the Senate bill merit support. Without remedial farm legislation at this session of Congress, cotton farmers face an automatic reduction of more than 20 percent in their present acreage allotment.

It was agreed, both by Mr. COOLEY and the farm and cotton leaders of North Carolina, that in the House this bill would be strengthened by reestablishment of the principle of parity. Mr. COOLEY took action immediately in this direction with his committee members. The North Carolina group advising with him left the conference to work with other cotton leaders from other States of the Cotton Belt now in Washington. Their support, it is believed, will help smooth the way for favorable action by the House.

Abandonment of the parity principle in 1961 in the present Senate bill, by basing support price for cotton on a formula related to the 3-year average market price rather than parity, has been the major criticism of the Senate bill by Mr. COOLEY, North Carolina's farm organizations and cotton leadership, and leaders in many other sections of the Cotton Belt.

The principal provisions of the farm bill under consideration would provide for a national minimum quota of 16 million acres of cotton in 1959 and 1960. A choice these 2 years for cotton farmers—to plant their share of this acreage and receive a support price based on present law, or plant additional acres at a lower support price. Farmers with a 10 acre or less allotment in 1958 would retain their 1958 acreage.

Mr. AIKEN. Mr. President, also during the discussion this afternoon the distinguished junior Senator from Missouri [Mr. SYMINGTON] inserted in the RECORD a news item from the Washington Star of this afternoon. In the course of the discussion it might have been inferred that the Secretary of Agriculture had referred to some Members of the Senate as leftists.

A call from the Secretary of Agriculture advises me that he never referred to any Member of the Senate as a leftist. It is well known that there are leftists in the United States who will infiltrate either major party at every opportunity which may be presented. So I do not regard that statement as being very serious.

It was also inferred that the leftists, so-called, of a certain farm organization would like to load down the bill so heavily that it would be killed. If anyone wishes to look at the RECORD of the day before yesterday he will find a statement from that farm organization to the effect that if the bill cannot be amended in such a manner as to be totally unacceptable to the administration, it ought to be killed.

Those are simple, factual statements; but, in all fairness, they ought to be placed in the RECORD.

Mr. MARTIN of Iowa. Mr. President, on Sunday, July 20, the St. Louis Globe-Democrat published an editorial praising the policies of Secretary of Agriculture Ezra Taft Benson and urging enactment of the farm bill now pending before the Senate. Its logic and reasoning are so sound and cogent that I think its words might be of benefit to all of us.



I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

**CONGRESS MUST END FOOTDRAGGING AND BACK-  
THE BENSON FARM PROGRAM**

Hard-sense policies of Ezra Taft Benson won a smashing victory last month when the House killed the Democrat-sponsored omnibus farm bill, properly indicted by the Agriculture Secretary as an absurd "monstrosity." But that was 3 weeks ago.

Congress in the interval has failed to pass vital, urgently needed legislation to support the Nation's farm program. There has been too much hassling and bootless delay.

Some of the Agriculture Department's most essential functions have been dead-ended for lack of funds. Planning and schedules hang in an administrative near-vacuum without required laws. And target date for adjournment of Congress is less than a month away.

Two extremely important agriculture measures are in Capitol Hill hoppers.

One is Senate bill 4071, a constructive proposal dealing with supports and acreage allotments for cotton, rice, corn, and feed grains. The other provides for extension of the 1954 act, authorizing disposal of surplus farm products through sale for foreign currency, through barter and as donations to needy abroad.

Senate farm measure 4071 is a radical departure from previous agriculture bills. It seeks to abandon high support techniques. It is designed to bolster crops at figures under current market prices—not dish out lavish Federal subsidies.

Such subsidies, often higher than prices, have created our fantastic, costly and wasteful surpluses.

There is no iota of sense in growing foods except to eat. That is the Benson philosophy, and nothing could be more rational.

The Senate proposal moves sturdily in this direction. Its Agriculture Committee has reported out the measure, though without dairying provisions, and it is now on the Senate Calendar.

In the case of corn and feed grains, so important to the Midwest, the Senate bill would knock out all acreage allotments and set supports for next year at 90 percent of the last 3 years' market price.

This obviously makes props a kind of insurance, in case of a bad crop year. It does not offer tax bounties for overproducing, which is the core of the surplus plight.

A similar approach is made in cotton, but more moderately. Cotton growers would be enabled to trade higher acreages for lower price supports. Current market prices, based on a prior 3-year average, would be the basis for cotton supports beginning in 1961. Other variants of the policy to let farmers plan their own crops, acreages and management—free of Federal dictation and bounty lagniappe—are contained in provisions for rice, oats, barley, rye, and sorghum.

The Senate has already passed an extension of the surplus disposal law, known as the Agricultural Trade Development and Assistance Act. The House has not acted but had a provision covering this extension in its defeated omnibus measure.

Chief difference between Senate and House measures is that the Senate extends the law for 2 years, the House for 1. Mr. Benson prefers a 1-year extension.

This valuable law has incurred antipathy from Canada, Mexico, South American States, and other nations, because it tends to curtail their grain markets.

State Department and Secretary Benson are concerned over this aspect of the program and wish only a year's continuation of the act to emphasize the policy is only temporary.

Another divergence between House and Senate legislation on this issue is that the Senate proposal gives the Agriculture Secretary discretion in bartering farm surpluses. House thinking had been to compel the Secretary to barter wherever possible, regardless of harm to our international friends and foreign policy. Manifestly the Senate bill is much superior.

Extension of this law is compulsory and probably will be voted.

Mr. Benson's program in surplus disposal is at a standstill. The old act expired June 30, and the Agriculture Department has no money to carry on a splendid schedule that has got rid of \$3,934,000,000 of surplus farm products through sales, barter, and donations abroad.

Both Senate bill 4071 and extension of Public Law 480 for surplus disposal are giant strides in establishment of a rational national farm policy—a policy that has made the farmers alone show rising prosperity while almost every other segment of the economy has been hit in the recession.

America most sorely needs a commonsense policy in agriculture. It must shuck the bounty thesis that has cost taxpayers \$15 billion shackled farm progress and piled up waste surpluses. Secretary Benson has plotted away, and these two measures will speed the day.

The country has to stop trying to fix farm prices. It must liberate agriculture from controls and quotas, continue to promote markets abroad, dispose of existing surpluses approximating \$7 billion in Government bins. Then we must use research to find new crops and new uses for old.

The best panacea for farmers is to help them to help themselves.

That, we firmly believe, would be mightily advanced by enactment of the two farm proposals now before Congress. They clearly should be passed.

**OUTDOOR RECREATION RE-  
SOURCES REVIEW COMMISSION**

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter dated July 11, 1958, which I have received from Mr. David R. Brower, executive director of the Sierra Club, of San Francisco, and an editorial entitled "Recreation Survey Calls for 'Slow-bell,'" published in the Eugene, Oreg., Register Guard of July 6, 1958, relating to a review of outdoor recreation resources.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

SIERRA CLUB,

San Francisco, July 11, 1958.

The Honorable WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR WAYNE: Word has just reached us that the President, on June 28, signed the act establishing the Outdoor Recreation Resources Review Commission—legislation which you sponsored and helped on its way through Congress.

This is just a note of our appreciation for what you have done. This concept was one close to our heart, as you will note from the enclosed reprint concerning our own efforts in 1956 and 1957.

We hope the Commission will soon be established, financed, and working effec-

tively. Most important, as you may have noted in our testimony, we are especially anxious that the Commission devise means of putting up that closed-during-inventory sign on scenic resources that might otherwise be lost prematurely and permanently.

We offer you, in your work with the Commission, and we offer the Commission itself, our full cooperation in its important work—for whatever benefit our 66 years' experience and 12,000 members can contribute.

Sincerely,

DAVID R. BROWER,  
Executive Director.

**RECREATION SURVEY CALLS FOR "SLOW BELL"**

It was all too apparent to weekenders who headed for the freedom of the great outdoors over the long holiday that the great outdoors is getting crowded. Fishermen jested that they were apparently expected to bring their own rocks to stand on. Those who headed for forest camps found other campers practically in their laps. Thus we know, but only in a general way, that some of the recreational resources of the country are sadly overcrowded. But we don't know, exactly, how great the crowding will be a year or two hence, nor where it will be. Nor do we know just what plans to make to accommodate new crowds which in future years will be spending their longer vacations in their high-powered cars, flitting from vacation spot to vacation spot.

Thus we welcome congressional passage of S. 846, a law providing for a national inventory of the Nation's outdoor recreation resources, the first such survey in our history. Twenty-four outdoor organizations, notably the Izaak Walton League of America, sought the survey. So did six States by legislative action. Among the States were Washington and California, but not Oregon. The survey, which will be made of both private and public land, will culminate in a report by September 1, 1961. A bipartisan 15-member commission will direct the survey, with help from an advisory council made up of representatives of Federal agencies and outdoor organizations. Special studies may be made, notably of the experiences of the Swiss and the Swedes in meeting their recreation needs.

This is of the essence. An example is the 1935 experience of the National Park Service which in that year could have bought a 30-mile stretch of seashore at Assateague Island in Maryland for wildlife protection for \$9,000 a mile. Now the same land, being turned into subdivisions, costs \$111,000 a mile. Some resources, dissipated in years gone by, can be restored. Some cannot be.

In the past half century the Nation has been diligent in taking inventory of many of its resources—its timber, its oil, its mineral wealth, its agricultural potential. But there has been no comparable effort to weigh our future recreational needs against our present and future recreational assets. Until now. This survey could be as important a milestone in conservation as creation of the national park system or the setting aside of Federal forest reserves.

In the 3 years between now and the expected presentation of the report, reclassification of public lands should be at a minimum. Only where extreme urgency can be shown should we permit drastic changes in land use patterns. Examples nearby are the reclassification of the Waldo Lake limited area and proposed reductions in the enormous Glacier Peak primitive area in northern Washington. Perhaps changes in these and similar areas should be made. Perhaps not. The facts we have are as yet incomplete. We know, pretty well, about our need for timber and water. We know much less about our need for recreational areas.

If we proceed now at slow-bell, awaiting results of this national survey, we can then



make our national decisions from a knowledgeable position. They will more likely be decisions we can live with, decisions our grandchildren will not regret we made.

#### PROTECTION OF EMPLOYEES OF FORESTRY AND LOGGING OPERATIONS—RESOLUTION

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the Record a resolution adopted by the Western Council of Lumber and Saw Mill Workers, of Portland, Oreg., concerning the exclusion from protection of the Fair Labor Standards Act of 1938 of certain employees engaged in forestry and logging operations.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

#### RESOLUTION ON FAIR LABOR STANDARDS ACT EXEMPTIONS

Whereas an amendment enacted in 1949 excludes from the protection of the Fair Labor Standards Act of 1938 employees of forestry and logging operations in which not more than 12 employees are employed; and

Whereas even major lumber producing employers in the Western Lumber industry are now exploiting their employees, through this amendment, by contracting their logging operations to small groups of 12 or less employees; and

Whereas this results in eliminating from the protection of the Fair Labor Standards Act of 1938 approximately one-third of all the employees of a major western industry; and

Whereas this leads to longer hours at lower wages and to increased unemployment in a basic western industry already afflicted with serious unemployment and economic insecurity; and

Whereas this exemption encourages unfair competition to fair logging operators who try to maintain fair wages, hours, and safe working conditions: Therefore, be it

*Resolved*, That the Western Council of Lumber and Sawmill Workers and each district council of Lumber and Sawmill Workers and each affiliated Local Union immediately demand of their respective Congressional Delegations immediate repeal of any exemption from the Fair Labor Standards Act of any employees of the logging and lumbering industry; and be it further

*Resolved*, That each district council and local union immediately present copies of this resolution to Local, Central or State

Labor bodies with which they are affiliated for concurrence and action as set forth herein.

#### COMMITTEE MEETING DURING SENATE SESSION TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Subcommittee on Preparedness of the Committee on Armed Services may sit during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

#### ADDITIONAL REPORT OF A COMMITTEE

Mr. CHAVEZ, from the Committee on Public Works, to which was referred the bill (H. R. 6701) granting the consent and approval of Congress to the Tennessee River Basin Water Pollution Control Compact, reported it favorably, with amendments, and submitted a report (No. 1901) thereon.

#### AGRICULTURAL ACT OF 1958—AMENDMENTS

Mr. HUMPHREY submitted amendments, intended to be proposed by him, to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities, which were ordered to lie on the table, and to be printed.

#### HOUSE BILL REFERRED

The bill (H. R. 11805) to promote the national defense by authorizing the construction of aeronautical research facilities by the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, was read twice by its title, and

referred to the Special Committee on Space and Astronautics.

#### ADDITIONAL APPENDIX

By Mr. GOLDWATER:  
Editorial entitled "Labor Bill Is Phony," published in the Rockford (Ill.) Morning Star of July 23, 1958.

#### ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 24, 1958, he presented to the President of the United States the following enrolled bills:

S. 2447. An act to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials and to provide basic data on the various chemical controls so that forests, croplands, wetlands, rangelands, and other lands can be sprayed with minimum losses of fish and wildlife; and

S. 2617. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended.

#### ADJOURNMENT UNTIL 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I move, pursuant to the order previously entered, that the Senate adjourn until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 10 o'clock and 53 minutes p. m.) the Senate adjourned the adjournment being, under the order previously entered, until tomorrow, Friday, July 25, 1958, at 10 o'clock a. m.

#### NOMINATIONS

Executive nominations received by the Senate July 24 (legislative day of July 23) 1958:

#### INTERSTATE COMMERCE COMMISSION

The following-named persons to be Interstate Commerce Commissioners for terms of 7 years expiring December 31, 1965 (reappointments):

Everett Hutchinson, of Texas.  
Robert W. Minor, of Ohio.











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 28, 1958  
For actions of July 25, 1958  
85th-2d, No. 126

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HIGHLIGHTS: Senate passed farm bill. Senate made unfinished business bill to increase industrial utilization of farm products. Sen. Capehart introduced and discussed bill to provide additional allotments for crops lost or damaged by natural disaster.

## SENATE

1. FARM PROGRAM. Passed, 62 to 11, with amendments S. 4071, the farm bill.  
pp. 13745-58, 13759-80, 13787-907, 13810-61

Agreed to the following amendments:

By Sen. Hayden, to strike out provisions of the bill relating to levels of price support for extra long staple cotton. p. 13747

By Sen. Humphrey, to authorize CCC to purchase an amount of oil produced from soybeans and cottonseed equal to the amount, as estimated by the Secretary, by which the total production of such oil will be increased by reason of increased production of cotton under choice B of the cotton provisions of the bill. The oil purchased is to be donated to appropriate nonprofit voluntary agencies, governmental agencies, and international organizations, for use in providing assistance to needy persons in foreign countries. pp. 13747-50

By Sen. Symington, to provide price supports for cotton, beginning with the 1961 crop, at 90 percent of the preceding 3-year average price, but not less than 30 cents per pound or 60 percent of the parity price, whichever is higher, and price supports for rice, beginning with the 1961 crop, at 90 percent of

the preceding 3-year average price, but not less than \$4 per hundredweight, or 60 percent of parity, whichever is higher. pp. 13793-94

By Sen. Stennis, to strike out the provision of the bill providing that the national acreage allotment for cotton each year shall be apportioned among the States in the same proportion that producers shared in the national acreage allotment in 1958. pp. 13796-97

By Sen. Humphrey, to provide price supports for corn at \$1.10 per bushel or 60 percent of the parity price thereof, whichever is higher. pp. 13820-22

By Sen. Schoeppel, to extend Public Law 480 (by inserting the language of S. 3420, to extend the program, as it was passed by the Senate). pp. 13822-23

By Sen. Hruska, to provide that any farmer dissatisfied with his wheat allotment may obtain a review of such allotment by a review committee, in the manner provided by existing law. pp. 13825-26

Rejected the following amendments:

By Sen. Dirksen, 33 to 51, to limit to 2 years, the 1961 and 1962 crops, the periods during which the 30-cent minimum support price for cotton, the \$1.10 minimum support price for corn, and the \$4 minimum support price for rice would be in effect. pp. 13751-58

By Sen. Proxmire, 20 to 57, to provide a dairy stabilization plan for milk and dairy products. pp. 13764-93

By Sen. Humphrey, 23 to 55, to amend the feed grains provisions of the bill so as to provide an alternative program whereby a producer could qualify for supports on his feed grains at not less than 85 percent of parity by reducing his planted acreage in feed grains by 20 percent, and placing them into the conservation reserve. pp. 13794-807

By Sen. Goldwater to strike out a provision of the bill providing that the additional acreage authorized for cotton shall not be taken into account in establishing future State, county, and farm acreage allotments. pp. 13810-14

By Sen. Humphrey, 24 to 49, to provide price supports for feed grains, beginning with the 1959 crop, at a level not in excess of 90 percent nor less than 60 percent of parity, with a minimum price support for corn of \$1.10 per bushel. pp. 13814-18

By Sen. Jordan to authorize the owner or operator of a farm having an upland cotton allotment to rent all or part of the allotment to the owner or operator of another farm in the same county, for use in the county. pp. 13818-20

By Sen. Proxmire, 24 to 49, to provide minimum support prices for milk and butterfat for the 1959-60 marketing year of \$3.15 per hundredweight and 57.5 cents per pound respectively. pp. 13823-25

2. SCHOOL LUNCH. Sen. Thye inserted two letters urging enactment of S. 4134, to extend the school lunch program to all Indian children on an equal basis whether located on or off a reservation. p. 13736

3. APPROPRIATION. Both Houses agreed to the conference report on H. R. 13066, the legislative appropriation bill for 1959. This bill will now be sent to the President. pp. 13807-9 13883-4

4. RESEARCH. S. 4100, to provide for the increased use of agricultural products for industrial purposes, was made the Senate's pending business. p. 13861

5. LEGISLATIVE PROGRAM. Sen. Johnson announced that next week he expected the Senate to consider H. R. 12738, the Defense Department appropriation bill for 1959; H. R. 11574, the independent offices appropriation bill for 1959 (conference report); and H. R. 8308, to provide for the humane slaughter of



terms, we should be inclined to believe they won't experience undue difficulties. This opportunity, coupled with our need for export markets, should sound a clarion call to our Government to see to it that, if any Canadian enterprise should be induced by outside influence to deviate from its responsibility to the Canadian worker and to the Canadian economy by declining legitimate and clean business, drastic and immediate steps be taken to discipline any such Canadian corporation. Canada needs export trade, and it should be sought after everywhere with no interest other than the welfare of Canada involved.

We had some interesting discussions relative to the new Chinese constitution, which provides for freedom of speech, right of assembly, and freedom in the practice of religion. Freedom of speech, we believe, can be followed in the criticism of how things are being done in a material way, or of the people who are charged with the responsibility of doing them—but the Chinese can't be "again the government" as we know it. Anything savouring of sedition would meet with the inevitable treatment; so perhaps freedom of speech could in our view be largely confined to the suggestion-box principle. In this highly restricted sense it might even be welcomed by the authorities.

Right of assembly exists in the sense that crowds can immediately assemble and listed to a speaker. We saw such crowds at street corners and at country crossroads. When we asked what the spouter was dispensing, it was always a harangue on the virtues of hygiene, on the desirability of continuing to swat flies and kill mosquitoes, or on some such subject. Theoretically, we suppose one could assemble a crowd and talk about anything—but for how long we don't know. There is no Chinese "Hyde Park."

Regarding the freedom to practice religion, there could be a need for this—not perhaps out of regard for religion but because there is a political problem due to the large number of moslem followers in addition to the Buddhists. I found Christian churches of many denominations—I also visited a Buddhist temple. On Sunday morning in Peking we heard what sounded like church bells. At first we could not believe our ears. Persistently we went down a side street from which the sound was coming, and certainly it was the sound of church bells. We found a church, a large Roman Catholic edifice, within a walled enclosure. The front court was full of children playing, the front doors were closed and again children playing and squatting in front of them, but we proceeded to a side door and found a church which could accommodate a very large congregation. Mass was in progress; the church was not full but there was a large congregation of people, devout to all appearances, young and old—male and female—very small children crawling in the aisles—older ones moving around from pew to pew. The clergy were all Chinese. We stayed for part of the service. There are other authorities more competent than I am to discuss this phase, but so far as I could find out all clergy must be Chinese and, if this is so, then perhaps freedom is more apparent than real. This is only an observation. Someone else, I am sure, can give a positive answer.

Unquestionably there is some subtle difference in life between China and other nations of Marican persuasion. One feels no sense of domination, no depression, no lack of freedom in moving around, and so on. Perhaps it is inspired by the courtesy, good nature, and natural politeness of the people. One goes shopping as he would in Montreal—big stores, little stores, all sorts of goods. Food is rationed on a seasonal basis, we were told. In hotels and restaurants there are no restrictions. One can go sightseeing, rubbernecking, and camera using at will—but must get an export permit for his undeveloped

film which was a rather perfunctory procedure.

For those who have read so far no doubt a variety of impressions of life in China has been formed. Some may be favorable, even too much so, some sceptical and unbelieving. Both are wrong.

As I said at the beginning, one has to see what is going on with his own eyes before he can realize what the picture unfolds. Nobody can do so for him. China is a socialist state, a managed economy adhering to the teachings of Karl Marx with some modifications to meet Chinese reality. The state is supreme, man an instrument—therefore he can't be really free. There is none of the comrade technique, there is no pretense that all are equal; on the contrary, the working class, the peasants, are freely referred to. One is rewarded in the material sense according to his talents and his responsibilities; but the plunder, the privilege and corruption are said to be gone. One wonders what China would be like today if over the last 150 years it had moved along the lines of democratic progress instead of exploitation and corruption. The wind was sown, the whirlwind is being reaped.

As mentioned earlier, 25 percent of the world's population live in China; maybe in 20 years they will be one-half of the world. Their present rate of progress is beyond description—but they have, as we have said, a million miles to go before the masses have a semblance of a decent standard of living. They are moving fast, however. If one can picture a future nation of 1 billion people—skilled, educated, industrialized, and with a capacity for work that beggars description—the high cost economy of the West is eventually in for revision. We of the West want no part of the political and economic philosophy that governs such states, but I wonder if we had a similar experience as a people how we would feel about it? The answer seems to be clear.

Regarding the so-called recognition of China in the political sense, one just does not see how 600 million people, which may be a billion before too long, can be given myopic treatment. I am no prophet, but a "bonnie Prince Charlie" from across the sea from Tapan seems more than unlikely. Just how face is to be saved there presents a staggering problem. There is every indication that the people of China as a whole are satisfied with their Government. It seems to meet their needs and it seems to be conscious of a great job to be done to lift the standard of living and the general way of life of the masses out of the black hopelessness that has prevailed in the past.

I believe there is good and legitimate trade to be done. Other western people are getting it. Canada will be negligent and unfair to herself if she does not get her share. She won't get it, however, without aggressive action.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### AGRICULTURAL ACT OF 1958

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDENT pro tempore. If there is no further morning business, morning business is concluded. The

Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. SYMINGTON].

Mr. SYMINGTON. Mr. President, under the present language of S. 4071, beginning with the 1961 cotton crop the level of price support for upland cotton will be 90 percent of the average market price of middling inch cotton during the preceding calendar years. A price-support floor of 30 cents per pound on middling inch cotton is established.

These provisions would result in the abandonment of the parity concept—a measure of the purchasing power for agriculture commodities. In view of the serious consequences should the parity principle be discarded, this amendment endeavors to establish price support for the 1961 cotton crop in terms of percent of parity. The amendment would therefore provide for price support beginning in 1961 as determined by the Secretary of Agriculture but not less than 65 percent of the parity price, basis middling inch.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. SYMINGTON. I am glad to yield to my able friend from Mississippi.

Mr. EASTLAND. At 65 percent of parity what would be the present price of middling inch cotton?

Mr. SYMINGTON. I was going to come to that in the next sentence.

Mr. EASTLAND. Very well.

Mr. SYMINGTON. It is estimated that 65 percent of parity in 1961 will be approximately the same dollar and cent level of price support as the best estimates indicate would be available under the provisions of the committee bill, S. 4071.

Mr. EASTLAND. What is the price at this time?

Mr. SYMINGTON. The estimates are that in 1961 the price would be somewhere between 31 and 32 cents.

Mr. EASTLAND. I am not asking about 1961. I am asking what the price is at this time.

Mr. SYMINGTON. I am not sure of the exact price at this time. I will ask the Senator to put it in the Record if he knows.

Mr. EASTLAND. Does the Senator know what the price is?

Mr. SYMINGTON. No.

Mr. EASTLAND. The estimate for 1961 is what?

Mr. SYMINGTON. Between 31 and 32 cents.

Mr. EASTLAND. What would that be for most of the crop? The part which is highly competitive with rayon is middling 1 $\frac{1}{8}$ -inch. What would the price support be on middling 1 $\frac{1}{8}$ -inch cotton?

Mr. SYMINGTON. In 1961?

Mr. EASTLAND. Yes. What is the estimate?

Mr. SYMINGTON. The estimate is 31 to 32 cents.



Mr. EASTLAND. I understood the Senator to say a moment ago that the price support in 1961 on middling inch cotton would be 31 cents. Is that correct?

Mr. SYMINGTON. That is my understanding—between 31 and 32 cents.

Mr. EASTLAND. What would the price support be on middling  $1\frac{1}{8}$ -inch cotton?

Mr. SYMINGTON. It would, of course, be higher.

Mr. EASTLAND. How much higher?

Mr. SYMINGTON. I do not know.

I do not believe it is advisable to eliminate the parity principle. Let me say to my friend from Mississippi that I will do almost anything to increase cotton acreage, provided it does not mean that 3 years from now the farmers of Missouri will be producing cotton without any reliance on parity.

Mr. EASTLAND. I believe everyone agrees with what the Senator says. I merely wished the figures as to what the estimated price support would be in 1961 on middling  $1\frac{1}{8}$ -inch cotton. I am not arguing with the Senator. I am not quarreling with the Senator.

Mr. SYMINGTON. At best it would be an estimate. Without question, the Senator from Mississippi is the greatest expert in the Senate on cotton. My apprehension is that if we pass this 90 percent of the 3-year average market price cotton prices will have a disastrous fall. Therefore, the pending amendment, attempts to tie the cotton price to parity.

Mr. EASTLAND. Everyone wishes to avoid a disastrous fall in cotton prices.

Mr. SYMINGTON. If the Senator has an exact figure in mind, I shall be glad to know it.

Mr. EASTLAND. I have no figure in mind.

Mr. SYMINGTON. The purpose of my amendment is to avoid the elimination of parity.

Mr. EASTLAND. I am trying to ascertain from the author of the amendment exactly what he proposes.

Mr. SYMINGTON. If the Senator will permit me, I shall read exactly what I propose. When it comes to an exact cotton price in 1961, it is just as difficult to estimate what cotton prices will be as it is to estimate the price of corn, livestock, or aluminum. I have no crystal ball; but I know when the farmer operated without parity, in the long run he lost.

Mr. EASTLAND. The Senator has estimated figures as to what the price of middling inch cotton would be in 1961. I want to know what the price would be on middling  $1\frac{1}{8}$ -inch cotton.

Mr. SYMINGTON. I have estimated it on the basis of middling inch, and will be glad to supply for the RECORD an estimate of what the price would be on middling  $1\frac{1}{8}$  inch.

It is estimated that 65 percent of parity in 1961 will be approximately the same price, and will provide the same dollar-and-cents level of price support as the best estimates indicate would be available under the provisions of the committee bill, S. 4071. This amendment, therefore, retains the parity prin-

ciple without changing the level of price support available in 1961.

Provisions of S. 4071 relating to extra-long-staple cotton are unchanged by this amendment.

In addition to retaining the parity concept, this amendment would provide that, beginning in 1961, the Commodity Credit Corporation is authorized to sell its holdings of cotton at not less than 105 percent of the prevailing level of price support. S. 4071 would require that the Commodity Credit Corporation offer cotton for sale at 115 percent of the prevailing support price.

By making the change to 105 percent, the amendment would bring the provisions of the new cotton program in line with past and present legislation.

The PRESIDING OFFICER (Mr. PROXMIER in the chair). The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. SYMINGTON].

Mr. AIKEN. Mr. President I should like to say a few words upon the general subject before the Senate at this time.

The agricultural bill which is pending before the Senate represents many weeks of work on the part of the Senate Committee on Agriculture and Forestry. It is by no means a perfect bill. It contains some provisions which I think could be improved. Nevertheless, it was the best bill we could get out of the committee by a majority vote.

It may be that we could get along this year without any agricultural legislation of this nature whatsoever. I do not doubt that we could. Neither do I doubt that the economy of our country, and particularly our agricultural economy, will be adversely affected unless we enact legislation approximately in the form in which the bill was reported from the committee. We were particularly concerned with the commodities of rice, cotton, and corn. If we do not enact legislation, it is probable that the rice-growers, who must go to a great deal of expense in preparing their land for the production of rice, will find that under existing law they will have to reduce their production possibly as much as 40 percent during the next year. Every time acreage is cut, the unit cost of production is increased.

I have referred to the situation with regard to rice. Every acre by which the rice producers are required to reduce their plantings means an increase in the unit production cost of what they are permitted to grow.

Next we come to cotton. Possibly one may wonder why people from the North are so much interested in the cotton program, and yet we are. If no legislation is enacted, in all probability cotton growers will not be permitted to plant more than 14 million acres next year. With the exception of this year's planting, which was reduced because of acreage placed in the Soil Bank, that will be the smallest acreage of cotton planted in this country for more than 80 years.

We are quite disturbed by the present situation. The reason why the cotton acreage will have to be reduced to such an absurd minimum is that we are losing our market for cotton.

Our textile mills have been shifting to synthetics. Exports have been dwindling, although last year it was demonstrated that, with proper methods, we could make a good recovery in exports.

The reason why the use of cotton in our domestic mills has been dropping is that, in order to dispose of cotton on the foreign market, we must sell it for about 7 cents a pound less than the domestic mills have to pay for it. That is almost 25 percent of the price of the cotton.

If the proposed legislation as it comes to us from the committee is enacted, the subsidy to foreign cotton mills, instead of being 7 cents a pound, will be, for the first year or so, in the neighborhood of  $1\frac{1}{2}$  cents. That will put our domestic textile mills in a far better competitive position than they are at the present time.

To the cotton-textile industry it is not a question of which State gets the industry away from another State—and we in New England have lost very heavily in this field—but whether we keep it in existence at all in this country.

Our cotton-textile industry is strongly in favor of the bill, and they complain very bitterly because of the great advantages which foreign textile manufacturers have over domestic mills under the present program.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. SYMINGTON. There seems to be difference of opinion based on the figures furnished by the Department of Agriculture, and the opinion of the Senate legislative counsel with respect to what section 103 means. Therefore, I withdraw my amendment at this time and will offer it at a later time today. I ask that the amendment be withdrawn.

The PRESIDENT pro tempore. The Senator has that right. The amendment is withdrawn.

Mr. AIKEN. Mr. President, the proposed legislation would eliminate acreage allotments for corn. Acreage allotments for corn have reached a point where they are not observed to any extent by the corn planters of the country. Last year only 14 percent of the acres planted to corn in the commercial corn area were in compliance with acreage allotments. This year it is expected that not more than 12 percent will be in compliance. It seemed best to the committee to eliminate corn acreage allotments entirely, inasmuch as most of the corn—approximately four-fifths—is fed where it is produced. I believe that provision will be an improvement.

The bill also gets away from the parity formula as a device on which to base price supports for cotton, rice, and corn. The parity formula now in effect was adopted in 1948. At that time it was thought that the parity formula would be good indefinitely. It has a movable base, which helps keep it more nearly up to date. We thought when it was enacted, we would not have to change that formula, and that it would be a fair yardstick to use for the foreseeable future.

It was not many years after the new parity formula was approved until we



found it was anything but a fair yardstick. There had come into the agricultural picture such technological developments as the use of antibiotics, hormones, weed killers, hybridization of plants and animals, and the development of new equipment and machinery. Those developments made the parity formula, which seemed so fair in 1948, obsolete. It gave certain commodities unfair advantages, and worked unfairly against other commodities, such as dairy products.

Therefore, I believe it is a good idea as to those commodities, to get away from the parity formula as a base on which to figure support prices.

Again we are faced with the question whether we shall try to improve farm income and the farm programs this year or whether we shall simply pass up the opportunity to enact new legislation and drift along until conditions become so bad that our farm program may collapse and in desperation, we shall have to conjure up some emergency remedies for the situation in which we are about to find ourselves.

There are approximately 40 amendments which are intended to be proposed to the bill. In March of this year, as I recall, we passed legislation to freeze support prices for another year. I voted for the bill because I thought the action of the Secretary in arbitrarily lowering price supports for the current marketing year for dairy products was unwarranted. However, the President thought otherwise, and he refused to sign the bill. Now I am given to understand that if provisions which were previously vetoed are attached to the pending bill there will be virtually no chance at all of the bill being enacted into law.

The wool amendment which was attached to the bill yesterday is acceptable to the President and the Department of Agriculture. If we see fit to add to the bill extension of Public Law 480, as it passed the Senate some months ago, that too will be acceptable to the Secretary and the President.

However, I recommend using extreme caution against attaching provisions to the bill similar to those which have already been vetoed this year.

I wish to have the Congress pass legislation which will help the cotton industry, both growers and manufacturers; legislation which will relieve the rice-growers from the trouble they are bound to be in if we do nothing; legislation which will make the corn grower freer, and will not require him to be in violation of national programs in carrying on his normal farm operations. I want that kind of legislation enacted into law at this session of Congress.

I hope we shall send such proposed legislation to the House, and I hope there will be no question about its becoming law, if it is approved by the House.

I had intended to make some remarks about the Symington amendment. However, inasmuch as it has been temporarily withdrawn, remarks on that subject at this time would seem to be out of order.

I wish again to express the hope that, in the interest of American agriculture

and the American economy as a whole, we shall pass a good, strong, sound bill which will become law.

Mr. HAYDEN. Mr. President, I call up my amendment 7-10-58-A.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 5, line 7, after the word "upland," it is proposed to strike out the words "and extra long staple cotton, respectively," and insert in lieu thereof "cotton."

On page 5, line 10, after the word "cotton," it is proposed to strike out "and of grade numbered 3, one and seven-sixteenths inch American-Egyptian cotton in the quoted spot markets in the case of extra long staple cotton."

On page 5, line 22, after the word "inch," it is proposed to strike out "and grade numbered 3, one and seven-sixteenths inches."

On page 5, line 23, it is proposed to strike out the words "and extra long staple."

On page 6, line 1, it is proposed to strike out the comma after the word "cotton" and delete "respectively."

Mr. HAYDEN. Mr. President, my amendment proposes to strike from the bill certain language which is no longer necessary.

On July 2, 1958, the President approved Public Law 85-497, establishing the level of extra long staple cotton price support at not less than 60 percent of the parity price. The law fully covers the situation, so that the language to which my amendment applies is not necessary.

In the United States there are only two market quotations available on extra long staple cotton—one in Phoenix, and one in El Paso, where the price quotations are derived from limited merchant reports.

Because a large percentage of the world supply of extra long staple cotton is under the control of foreign governments, which have the power to limit the supply and thus affect prices, twice in the past 8 years cotton prices have been forced to abnormal highs. Had the language in the bill been in effect, the price support level would now be so high that domestically produced extra long staple cotton would be completely non-competitive.

Inasmuch as this situation obtains, and since Congress has so recently enacted specific legislation affecting the price support levels, it is best not to change the price determining law again at this time.

Therefore, I ask for the adoption of my amendment.

Mr. ELLENDER. Mr. President, yesterday, during the debate I suggested to the distinguished Senator from New Mexico that it was truly an error on the part of the committee to include upland cotton. As the Senator from Arizona has just pointed out, Congress passed in July of this year a bill fixing the price support of cotton at from 60 to 75 percent of parity. I understand that is acceptable to the growers.

Mr. HAYDEN. It is.

Mr. ELLENDER. That bill is now the law. What we will be doing by adopting

the amendment will be simply to restore what was done in July. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona [Mr. HAYDEN].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I call up my amendment designated "7-23-58-J." I do not ask that the amendment be read, but I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, Mr. HUMPHREY's amendment was ordered to be printed in the RECORD, as follows:

On page 16, between lines 4 and 5, insert the following new section:

#### PURCHASE OF COTTONSEED AND SOYBEAN OIL

SEC. 111. The Secretary of Agriculture shall estimate for the 1959 crop and 1960 crop of oilseeds, respectively, the amount by which the total production of oil from such crop will be increased by reason of the production of cotton on the increased acreage allotted to farmers who elect choice (B) under section 102 of the Agricultural Act of 1949, as amended by this act. In making such estimate the Secretary shall make due allowance for any reduction in the acreage of soybeans which may result from the expansion in the acreage of cotton. Commodity Credit Corporation may, during the marketing year for the 1959 crop and 1960 crop of cotton, respectively, purchase an amount of oil produced from cottonseed or soybeans approximately equal to the increase in the amount of oil so estimated for such crop of oilseeds by the Secretary. The oil so purchased shall be donated to nonprofit voluntary agencies registered with the Department of State, other appropriate agencies of the Federal Government or international organizations for use in the assistance of needy persons outside the United States. Commodity Credit Corporation may incur such additional costs with respect to such oil as it is authorized to incur with respect to food commodities disposed of under section 416 of the Agricultural Act of 1949.

Mr. HUMPHREY. Mr. President, the amendment is designed to take into account the increased production of cottonseed, which as a vegetable oil is competitive with soybean oil.

The amendment merely provides that the Secretary of Agriculture shall be permitted to purchase an amount of oil produced from cottonseed or soybeans approximately equal to the increase in the amount of oil so estimated for such crop of oil seeds by the Secretary. The amendment provides:

The oil so purchased shall be donated to nonprofit, voluntary agencies registered with the Department of State, other appropriate agencies of the Federal Government or international organizations for use in the assistance of needy persons outside of the United States.

This is not a mandatory provision; it merely gives to the Secretary of Agriculture the discretionary authority to make purchases of vegetable oils which may be in surplus as a result of expanded production, and to be able to utilize such oil for relief purposes and charitable purposes on the international front and for assistance to needy persons, as well.



Mr. President, this amendment simply provides permissive authority for the Secretary to avert new problems that may arise out of enactment of this bill.

There is nothing mandatory about it. It certainly cannot be ground for a veto, because if the Secretary does not agree with it he simply will not be required to use it. However, Congress will be acting responsibly by providing the Secretary with authority he may need.

During my earlier remarks I mentioned how expanded cotton acreage, justified on grounds of textile needs, would also result in expansion of cottonseed production.

No one has argued that we need more cottonseed or cottonseed oil.

What will be done with the added cottonseed oil? It will simply go into competition with soybean oil, lard, and, yes, butter, and force down the present prices of all fats and oils.

The Department of Agriculture is reluctant to estimate the increase in cotton production under the pending bill, but accepts the estimates of the measure's key sponsors that a 25 to 30 percent increase in planted cotton acreage will result from the altered allotments provided in the measure.

Working with these estimates, technicians of the USDA have informed us that they can anticipate a 25 to 30 percent increase in cottonseed oil production.

That will mean a 3 to 4 percent rise in the total supply of fats and oils in this country. This increase in the supply of fats and oils could lower prices for all such commodities by approximately 5 percent, according to the Department's own estimates.

We produce 490 million bushels of soybeans last year. A price decrease of 5 cents a bushel that could result from the expanded supply of competitive cottonseed would mean a loss of \$24,500,000 in soybean income.

Similar calculations indicate a loss of \$14,750,000 on lard, and a potential loss of \$51,150,000 on butter from the price-depressing effects of the additional oil supply.

Somebody has to absorb this loss. It is either going to be the farmer, or, in the case of soybeans and butter which have support programs, the Government itself.

It does not have to happen. Without trying to raise at all the income from or prices of soybeans, lard, or butter, the Secretary of Agriculture can protect them from suffering losses under the cotton expansion, if we provide this authority, by purchasing an amount of edible oil equivalent to the excess produced on additional cotton acreage, and diverting it to overseas relief feeding purposes.

There is tremendous need and demand for some form of fats and oils in our overseas relief feeding purposes, not now being met. Testimony at our hearings indicates that demand. The Department has indicated it feels it does not now have authority to meet it. This would provide such authority.

Spokesmen for the Department have indicated now that they do not feel that the expanded oil production would create

as serious a problem as others believe it would.

If that is true, the authority sought would merely be standby protection which would not have to be used.

Having it, however, would give some assurance to soybean producers that the bill is not aimed against them—and might provide the added support needed in the House to get it enacted. Without it, any Member of Congress from soybean areas would be amply justified in opposing the cotton expansion.

Even if this discretionary authority is used, it need not be any expense to the Government. If the threat to soybeans becomes sufficient to warrant using this authority, the Government costs would be incurred anyhow by having bean prices fall below loan levels and the CCC being required to take over quantities of soybeans.

If this authority were used to divert excess oil, the market could be stabilized to prevent accumulation of new surpluses in the Government's hands.

I would rather see any Government expenditure required channeled into use of our excess oil for humanitarian purposes, than have the same expenditure incurred just to lock up more surplus in storage.

Mr. President, it would be very appropriate if somehow during the debate on the bill, we would obtain from the Department of Agriculture an official statement as to whether it is willing to accept any amendment at all relating to the parity concept.

I wish to make it clear that the amendments which some of us intend to offer are not amendments to increase parity or even to fix the prices called for by the bill. Instead, they are amendments to interpret the prices in terms of the parity formula, because some of us believe sincerely in the concept of parity and the parity formula. It has been a part of the basic agricultural policy and law since 1933.

I have been told that this morning representatives of the Department of Agriculture have been in the Senate Office Building to inform certain Senators that no amendments which relate to parity will be accepted by the Department of Agriculture. I understand that Mr. Wheeler, who now is in the gallery,—in fact, at this moment I am looking directly at him—has carried the message of the Department of Agriculture to Members of the Congress, and has said that no such amendments will be acceptable.

Of course, the Department of Agriculture can take that position if it so desires; but the trouble is that the Department of Agriculture is attempting to play both sides of the street. On the one hand, the testimony given before our committee by representatives of the Department of Agriculture indicated that the Secretary of Agriculture wanted greater flexibility in the price-support range, on the basis of parity concepts. But, on the other hand, the Secretary of Agriculture now tells Members of the Senate that he will accept the bill as it now stands, and no other—that this is the bill he wants. The bill as it now

stands repudiates the concept of parity. However, that was the Secretary's position in private conversations.

I believe the Department of Agriculture knows that a repudiation of parity would be repugnant to the overwhelming majority of the farmers of the Nation. Therefore, it seems, the Department of Agriculture does not want to get itself officially on record on this point.

The official position of the Department—and I shall offer an amendment which will call its official record into play—is that it would like to have the price supports of 75 to 90 percent broadened to 60 to 90 percent of parity. That is the official position of the Department of Agriculture.

Mr. President, I shall submit an amendment to give the Department a chance to go on record; and then we shall see whether the Secretary of Agriculture is a man of good faith and whether he will send to the Senate word in support of his own testimony before the Committee on Agriculture and Forestry, because I want the Record to show clearly that when the Secretary of Agriculture appeared before the committee he did not testify in favor of the enactment of Senate bill 4071—even though the Secretary now "testifies" in the newspapers, in that he is reported to have said that those who oppose the bill are "leftwing elements," and that he is in favor of the bill. From his use of the phrase "leftwing elements," I gather that the "leftwing elements" are opposed to the bill. So apparently the rightwing elements are in favor of the bill.

I take my position right down the center, and I want some amendments to the bill adopted. If some very moderate amendments are adopted, there will be no difficulty.

Mr. AIKEN. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. AIKEN. I should like to refer to the pending amendment.

Mr. HUMPHREY. First, I should like to continue my remarks. I want to have a vote taken on the amendment; and, first, I want to finish stating my views in regard to the parity concept.

I feel that the Senate of the United States has a right to know the facts. I feel the Department of Agriculture should answer some questions. Did Mr. Clyde Wheeler come to the Senate Office Building and contact certain Senators on behalf of the Department, saying any amendment which dealt with parity would not be acceptable? That is the first question.

The next question is, Did the Secretary of Agriculture contact any Senators this morning, as I say he did, and tell them he wanted this bill—which would mean there could be no amendment relating to parity, or any other amendments?

The junior Senator from Minnesota charges on this floor that the Department of Agriculture is lobbying this bill in this hall, which is a violation of the rules of the Senate. There are lobbyists of the Department of Agriculture in



the galleries, waiting on Senators, and they are outside in the reception room.

As I said earlier, if the Secretary and the Government and the administration are opposed to the parity concept, that is their privilege. I wish they would be honorable enough to say so, and not play both sides of the street, and then we would know who is who and what is what.

As the Senator from New Mexico [Mr. ANDERSON] stated, it is very strange to see those who for years have been arguing for the parity concept now withdrawing from it.

I have heard the argument that what we need is an amendment which would relieve the cotton and rice farmers. I agree. Any amendment relating to cotton and rice will in no way jeopardize their acreage—and I think they need relief as to acreage—and will in no way jeopardize the price structure—and I think they need help in the price structure. I think the Senator from Vermont is right when he states there is a need that a price be established at which the cotton farmers can compete.

I am not about ready to turn my back on the pledges which the two parties have made for a quarter of a century. I charge that both political parties have, for a quarter of a century, pledged the farmers that there would be a continuation of the concept of parity. I say now that one party is ready to turn its back on the farmers. I hope the Democratic Party is not the second party to do so. I warn my Democratic friends that our party brought the concept of parity into fruition. Let us not be the one that kills it, because there is more to agriculture than merely one or two crops.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. I have two questions. First, is the amendment offered by the Senator from Minnesota permissive and not mandatory?

Mr. HUMPHREY. It is permissive.

Mr. AIKEN. The other question I have is, What advantage does the proposal for the purchase and donation of soybean oil have over the present price-support program at 70 percent of parity? Would it give an advantage, or would it simply widen the market?

Mr. HUMPHREY. It would widen the market, essentially.

Mr. AIKEN. Whatever is given away would be in addition?

Mr. HUMPHREY. That is correct.

Mr. AIKEN. At the present time we donate soybean oil and other oil to foreign countries, do we not?

Mr. HUMPHREY. Only if it comes into the hands of the Government.

Mr. AIKEN. That is correct. Does the Senator feel the amendment would give soybean oil producers—

Mr. HUMPHREY. And cottonseed oil producers. It is not only soybean oil producers who are affected.

Mr. AIKEN. Does the Senator feel the amendment would give them an advantage over the 70 percent price supports which they receive now?

Mr. HUMPHREY. I have consulted the Department on this particular

amendment. We have had a very good relationship on the basis of edible oils. We have tried to preserve that relationship in committee. This is not a mandatory amendment. It is designed to clarify what some persons think is a cloudy, unclear line of authority in the present law. The amendment would make it very clear that the Secretary would do two things. First, he would make an estimate of the volume of oil and oil seeds in production, and take into consideration any change which might come about as a result of any shift from soybean to cotton production, and the excess which might be accumulated because of the increased acreage of cotton. He would also take into consideration the reduced acreage of soybeans which would be eligible to be purchased, if the Secretary so desired, if he felt it was essential to preserve reasonably fair marketing, and if any of the production would be eligible for overseas distribution. It is strictly discretionary authority.

Mr. AIKEN. I have asked the question because I have not consulted the Department about this amendment. I have not even been lobbied in connection with it. I do not know what the position of the Department is. I suspect that if the Department were opposed to it, I would have found out about it in some way.

Mr. HUMPHREY. I want to clarify the Record. When I said "lobbying," I was talking about the parity amendment. We are going to have arguments on that matter. They will be good-natured arguments, I assure the Senator from Vermont. However, I have talked to the Department's representatives about this amendment. I cannot say whether they support it. There is doubt in the Department as to their present authority. They have not purchased oil for relief purposes. They have sold it under Public Law 480. This amendment would give the Secretary, in the edible oil field, the same authority he has over other commodities.

Mr. AIKEN. If cotton could be produced and sold at somewhere near the world price, 4 or 5 million acres now planted to soybeans and other products would be turned back to cotton production, and thereby a more logical balance would be reached as between the two commodities.

Mr. HUMPHREY. Yes.

Mr. AIKEN. As I have said, I have had no communication whatsoever with regard to the proposal of the Senator from Minnesota. Therefore, I know of no reason for objecting to it. I can see that it might do some good. Therefore, I have no objection.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield to the Senator from Iowa.

Mr. HICKENLOOPER. In reading the amendment of the Senator from Minnesota which is presently before the Senate, I notice that the language on page 2 is that the "Commodity Credit Corporation may" make these purchases.

Mr. HUMPHREY. Yes.

Mr. HICKENLOOPER. The next sentence reads, "The oil so purchased shall be donated to nonprofit voluntary agencies." The question arose in my mind whether there was anything mandatory about the language.

Mr. HUMPHREY. I think the word "so" may be misleading.

Mr. HICKENLOOPER. The word "may" would indicate it is not mandatory. In other words, if the Senator's amendment were adopted, we might find ourselves in the position, if the purchase were mandatory, of the Secretary having to estimate the amount of oil which would be produced. Then the Department would have to purchase the oil and would have to give it away, in spite of the fact that the market might readily absorb it at the market price.

Mr. HUMPHREY. Let me point out, first, that it is discretionary. It does not say "shall." It provides that the Secretary may purchase. The Chairman of the committee, the Senator from Louisiana [Mr. ELLENDER] reminds me that if the word "so" in line 6 were changed to "if," so that the language would read, "The oil if purchased shall be donated," it would be perfectly clear that it is discretionary.

Mr. President, I wish to modify my amendment by striking out the word "so" on line 6 of page 2 and inserting in lieu thereof the word "if."

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The Senator has a right to modify his amendment, and his amendment is so modified.

Mr. HICKENLOOPER. Then, if I understand the Senator correctly, if the oil moves in the market in the normal competitive channels freely, and is absorbed, and there is no surplus, under no circumstances will the Department be required to purchase X gallons or tons of the oil.

Mr. HUMPHREY. The Senator is absolutely correct in his interpretation.

Mr. HICKENLOOPER. That was my understanding of the amendment, but because of the word "shall" and some of the other language, I wanted to have the matter cleared up.

Mr. ELLENDER. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed in the Record an explanation of the amendment offered by the Senator from Minnesota [Mr. HUMPHREY]. As the distinguished Senator from Minnesota says, the provisions are not obligatory at all. I can see no objection to the amendment.

There being no objection, the explanation was ordered to be printed in the Record, as follows:

The amendment authorizes the Commodity Credit Corporation to purchase an amount of oil produced from soybeans and cottonseed equal to the amount, as estimated by the Secretary, by which the total production of such oil will be increased by reason of increased production of cotton by farmers electing choice B in 1959 and 1960 under the amendments made by this bill to section 102 of the Agricultural Act of 1949.



The oil so purchased would be donated to appropriate nonprofit voluntary agencies, government agencies, and international organizations, for use in providing assistance to needy persons in foreign countries.

Commodity Credit Corporation would be authorized to incur costs of handling and transportation prior to actual export, as in the case of commodities disposed of under section 416 of the Agricultural Act of 1949.

The Commodity Credit Corporation already has authority to purchase and dispose of soybean and cottonseed oil to support prices of soybeans and cottonseed. The extent to which oil production would be increased, if at all, by the bill would be difficult to determine.

Mr. HUMPHREY. Mr. President, I believe there is no need for further discussion of the amendment. I suggest a vote be taken.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Minnesota [Mr. HUMPHREY].

The amendment, as modified, was agreed to.

During Mr. HUMPHREY's remarks, the following occurred:

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield and I ask unanimous consent that my remarks be printed at the end of his statement.

Mr. HUMPHREY. I yield with that understanding.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMINGTON. Mr. President, this morning I offered an amendment to S. 4701. The amendment was based on the opinion of the legislative counsel. The Department of Agriculture interprets some of the language differently, however. This does not surprise me. I have seen 3 different opinions from 3 different experts at one time on some of this intricate agriculture legislation. Therefore, in order to have the matter clarified, at this time I withdrew the amendment, and shall reoffer it later.

But I ask the distinguished Senator from Vermont if the matter of the acreage of cotton and rice could not be handled in a very simple fashion by passage of a resolution by both Houses to freeze the acreage on cotton and rice in the United States for next year at the same figures of this year.

Mr. AIKEN. I can answer the Senator's question briefly. I am positive that such a resolution would not become law.

Mr. SYMINGTON. Does the Senator mean that it would be vetoed by the President?

Mr. AIKEN. That is the general idea.

Mr. SYMINGTON. Then it is clear that what is really wanted in this proposed bill is not help for the cotton farmer or the rice farmer. What is really wanted is to get rid of the parity principle, a principle which has been so successful for the American farmer during most of the last 25 years—until the advent of the present administration and its Department of Agriculture.

Mr. AIKEN. What is really wanted is to prevent a bad situation from becoming progressively worse. Such a situa-

tion will result if corrective legislation is not enacted at this time.

I refer the question to the Senator from Mississippi [Mr. EASTLAND].

Also, I believe we have had communications from cotton growers in Missouri to the effect that they seek some remedial legislation.

Mr. SYMINGTON. I think I know more than the Senator from Vermont about what the cotton growers of Missouri want; but I do not know much about what the cotton growers in Vermont want.

There is some difference of opinion in my State with respect to the proposed legislation. I think it unfortunate that when we come to the floor of the Senate to discuss legislation, a possible administrative veto is held over our heads, in an attempt to prevent logical legislation from being passed.

Mr. AIKEN. The Senator from Missouri asked me a question. I presumed he wanted an honest answer. I gave him the best answer I could.

I believe it would be a tremendous disservice to the cotton growers of the country for the Congress not to enact remedial legislation, but simply to continue the conditions and the program which have gotten them into so much trouble and, up to the present time, have lost them so much of their market.

Mr. SYMINGTON. I should like to ask the able Senator from Vermont whether there is any parity amendment which would be acceptable to the administration.

Mr. AIKEN. I would take the position that the bill which came from the committee, with the program changes recommended in it, is the best at which we can arrive. In the committee, the Senator from Missouri and I differed regarding the value of the bill. But the bill was reported; and I stand by the bill as it came from the committee.

I know that at one time the Secretary of Agriculture requested a wider range within which he would have authority to fix price supports for the basic commodities. I have not talked with him, to ascertain whether the 60 to 90 range would now be acceptable to him.

But after having worked for several weeks on this proposed legislation, and after having arrived at a bill which is generally acceptable to the administration—although not entirely acceptable—I believe we should proceed with what we now have before us.

Mr. SYMINGTON. Mr. President, I have great respect for the opinion of the Senator from Vermont [Mr. AIKEN], especially in agriculture matters.

He has referred to the cotton farmers of my State. I repeat, that there is a difference of opinion among them.

Mr. AIKEN. I realize that.

Mr. SYMINGTON. In addition, in my State there is a friend and admirer of the Senator from Vermont, namely, Mr. Fred Heinkel, who is the head of the largest agricultural organization in Missouri. Mr. Heinkel has gotten in touch with me, to say that, rather than see this bill—including the modifications which have been made and the provision for the

elimination of parity—passed, he would prefer to see no bill passed.

Mr. AIKEN. Mr. President, I have a little selfish interest in this matter, for Vermont has lost its last cotton mill. Today Vermont still has a number of woolen mills. But many cotton mills are left in New England. Some of them are shifting to synthetics; some of them are moving away.

The last one in Vermont, which employed approximately 400 persons, simply went out of business.

One thing which has affected them is the fact that the foreign mills can purchase cotton, either from the United States or from some other cotton-producing country, at approximately 6 or 7 cents a pound less than the price our mills have to pay.

If the bill the committee has reported is enacted, then I believe that about two-thirds of the cotton growers of the country—at least, in terms of the number of acres involved—will elect to expand their acreage 40 percent, at a support price 15 percent of parity less than that received by producers who comply with their original allotment. In other words, a large percentage of the cotton producers of the country indicated that they could produce competitively at the then existing market price, which would put our mills in a good competitive position as compared to that of mills in other countries.

That is a selfish reason for my support of the bill: I wish to see some of our industries retained.

Mr. SYMINGTON. Mr. President, in a moment I must leave the Chamber to attend a committee meeting. But before I leave let me say that, in my opinion, this matter is the core of the problem before the Senate.

During the first few weeks that I was a Member of the Senate, the distinguished Senator from Georgia made a speech in which he said the population interested in the production of food had decreased to 13 percent, but that those who constituted the 13 percent received only 6 percent of the national income. A few weeks ago my staff checked on those figures, and found that in 5 years the 13 percent has declined to 12 percent, but that today those persons are receiving only 3½ percent of the national income.

Mr. HUMPHREY. Mr. President—

Mr. AIKEN. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I am very glad to yield to the Senator from Vermont.

Mr. AIKEN. I believe that the percentage of the people who produce all our food and fiber that are used commercially is probably less than 10 percent at the present time.

However, in Vermont more than 50 percent of the income of the farmers comes from various sources off the farm. For the country as a whole, the figure is probably about 35 percent.

I have always fought for more equitable income for farm people, whether they live in Missouri, Vermont, the State of Washington, or Texas.



I have gone along with the bill, including the 10-acre minimum for our cotton growers, for the express purpose of protecting the small producers who depend on perhaps 6 or 7 acres of cotton for their major cash crop, even though that provision in itself will entail a substantial subsidy. But I believe we should provide for that—because it is the only decent thing to do—at least until they have a better way to make a living than they have at this time.

I do not blame the Senator from Missouri at all for doing what he thinks best for the farmers of his State.

I have admired the work of Fred Heinkel, of the Missouri Farmers Association; and I know that association has rendered a great service for half or more than half of the farm people of Missouri.

Mr. SYMINGTON. Let me thank the Senator from Vermont for his gracious remarks regarding one of Missouri's foremost citizens.

Mr. AIKEN. Mr. President, I am not saying what my position on the bill would be if I were in the executive department at the time when the bill came to the White House, and if the bill then included what the administration regards as undesirable features. But I am saying what I believe will happen.

Mr. DIRKSEN. Mr. President, I call up my amendments 7-23-58-A and ask that they be considered en bloc.

The PRESIDING OFFICER. The amendments will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 5, line 16, before the period it is proposed to insert the following:

In the case of the 1961 and 1962 crops, and such level as may hereafter be provided by law for any subsequent crop.

On page 17, line 2, it is proposed to strike out the word "any" and the rest of the sentence on line 3 and insert in lieu thereof the following:

The 1959 and 1960 crops of corn shall not be less than \$1.10 per bushel and the level of price support for any subsequent crop shall not be less than such level as may thereafter be provided by law.

On page 18, line 18, before the period it is proposed to insert the following:

In the case of the 1961 and 1962 crops, and such level as may hereafter be provided by law for any subsequent crop.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senator from Illinois, without losing his right to the floor, may yield to me for the purpose of suggesting the absence of a quorum.

Mr. DIRKSEN. I yield for that purpose.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

|             |                 |              |
|-------------|-----------------|--------------|
| Aiken       | Gore            | Monroney     |
| Anderson    | Green           | Morse        |
| Barrett     | Hayden          | Morton       |
| Beall       | Hickenlooper    | Mundt        |
| Bennett     | Hill            | Murray       |
| Bible       | Hruska          | Neuberger    |
| Bricker     | Humphrey        | O'Mahoney    |
| Bridges     | Ives            | Pastore      |
| Bush        | Jackson         | Payne        |
| Butler      | Javits          | Proxmire     |
| Byrd        | Jenner          | Purtell      |
| Capehart    | Johnson, Tex.   | Revercomb    |
| Carlson     | Johnston, S. C. | Robertson    |
| Carroll     | Jordan          | Russell      |
| Case, N. J. | Kefauver        | Saltonstall  |
| Chavez      | Kennedy         | Schoepper    |
| Church      | Kerr            | Smith, Maine |
| Cooper      | Knowland        | Smith, N. J. |
| Cotton      | Kuchel          | Sparkman     |
| Curtis      | Langer          | Stennis      |
| Dirksen     | Lausche         | Symington    |
| Douglas     | Long            | Talmadge     |
| Dworshak    | Magnuson        | Thurmond     |
| Eastland    | Malone          | Thye         |
| Ellender    | Mansfield       | Watkins      |
| Ervin       | Martin, Iowa    | Wiley        |
| Fulbright   | Martin, Pa.     | Williams     |
| Goldwater   | McNamara        | Young        |

Mr. MANSFIELD. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Missouri [Mr. HENNINGS], the Senators from Florida [Mr. HOLLAND and Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate attending the 49th Congress of the Interparliamentary Union at Rio de Janeiro, Brazil.

The Senator from Arkansas [Mr. McCLELLAN] is absent because of a death in his family.

Mr. DIRKSEN. I announce that the Senator from South Dakota [Mr. CASE] and the Senator from West Virginia [Mr. HOBLITZELL] are absent because of official business, having been appointed by the Vice President to attend the 49th Congress of the Interparliamentary Union in Rio de Janeiro.

The Senator from Colorado [Mr. ALLOTT] is absent because of illness.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Michigan [Mr. POTTER] are necessarily absent.

The PRESIDING OFFICER (Mr. TADMAGE in the chair). A quorum is present.

Under the order which has been unanimously agreed to, the Senator from Illinois [Mr. DIRKSEN] has the floor.

The question is on agreeing to the amendment of the Senator from Illinois.

Mr. DIRKSEN. Mr. President, first, I pay my respects to the Senate Committee on Agriculture and Forestry for the work it has done on the pending bill, and I salute the chairman of the committee for his diligence and devotion to the cause.

I believe that, in the main, a very creditable bill has been reported. Moreover, I intend to support the bill. But I believe that the bill is deficient in one respect; and that is why I have submitted the amendment.

The amendment I have submitted has the support of the Secretary of Agriculture. It is an open secret that the amendment also has the support of the American Farm Bureau.

In indicating that the Secretary of Agriculture supports the amendment, I shall allude very briefly to observations made with respect to the Secretary of Agriculture by my distinguished friend the Senator from Minnesota [Mr. HUMPHREY].

Mr. President, it seems strange that persons from the Department of Defense can come to Capitol Hill, and can occupy the reception room, and can talk to Members of Congress about matters germane to the Department of Defense, and no question ever is raised. It also seems strange that persons from the Department of Health, Education, and Welfare can come to Capitol Hill, and can discuss matters in which they are interested, and can indicate their preferences and their views on various matters which pertain to health, education, and welfare, and no voice ever is raised in criticism, no accusing finger ever is pointed to a representative of that Department who sits in the gallery—as was done, this morning, in the case of a representative of the Department of Agriculture.

Mr. President, with proper regard for my friend, the Senator from Minnesota, I must say that I thought it was in bad taste.

I have known Clyde Wheeler, of the Department of Agriculture, for a long time. He is a very restrained and forbearing man, an excellent public servant and I am delighted when he comes here and gives the benefit of his advice when it is requested. I am delighted when the Department can send its representatives to the reception room, to say, "We are here if you need us." I am delighted when I can go to the Secretary of Agriculture and can get advice, because he is the chief executive of that Department, which deals with agriculture and all other matters of concern to the farmers of the country.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I will yield after I make this observation: I think it is singular that no one ever points a finger at Secretary Mitchell, Secretary McElroy, Secretary Brucker, or the Secretary of State, John Foster Dulles, if representatives of their Departments come to Capitol Hill. But when someone from the Department of Agriculture is in the gallery, it seems that he must be singled out and pointed out, to his embarrassment and to the embarrassment of the Department.

Obviously, it is quite all right for the Farmers Union to have lobbyists on Capitol Hill; and everyone knows very well that the Farmers Union has plenty of them here.

So I think we can afford to be forbearing. I have never for a moment taken exception to the appearance of a number of representatives of the AFL, the CIO, the railroad brotherhoods, and many of the other labor organizations, who sat in the reception room, when the labor bill was before the Senate; and I was glad to go there and talk to them when they requested that I do so. That is only in the spirit of the right of peti-



tion which is guaranteed in the Bill of Rights in the Constitution.

But I think it comes with poor grace to try to make a case for an amendment by demeaning a very honorable member of the Cabinet and one of his assistants.

Mr. HUMPHREY. Mr. President—

Mr. DIRKSEN. Now I yield.

Mr. HUMPHREY. I must say that the Senator from Illinois is making much to-do about little or nothing.

What I said was that there came to me, from one of our colleagues, a report to the effect that the Department of Agriculture had sent a very able man—and I agree that Mr. Wheeler is a fine, able man; and I have the highest regard and greatest respect for him; he is an able public servant—to call on Members of the Senate, to inform them that the Department would not accept an amendment relating to parity, but wanted the bill passed as it is.

I merely wanted to get word from the Department, one way or the other, regarding that allegation and that rumor.

Now I find that the answer comes from the Senator from Illinois. The Senator from Illinois is stating the position of the Department, for example, on the question of the inclusion in the bill of provisions for price floors. The Senator from Illinois says the Secretary of Agriculture is opposed to the price-floor provisions of the bill, and that the Secretary favors the amendment of the Senator from Illinois which would strike out the provisions for such floors.

I should like to obtain an equally candid answer in regard to the position of the Secretary of Agriculture on parity, which is what I was talking about.

With all due respect, I say there is no law which denies the right of individual citizens or voluntary organizations to petition the Congress. That is why the Farmers Union, the American Farm Bureau Federation, and the Grange have their representatives in the lobbies; and that is why representatives of the AFL, the CIO, the Chamber of Commerce of the United States, the National Association of Manufacturers, and the Illinois Manufacturers Association are frequently in the lobbies. That is their privilege. However, there is a law which provides that executive branch officials shall not lobby the Congress.

All I was saying is that there is a difference between representation of the position taken in committee by the executive branch and representation of the position taken unofficially by the Department, but suggested *sub rosa*.

But, Mr. President, even so, if the feelings of the Senator from Illinois have been injured, I should like to strike from the RECORD any reference to our friends in the Department of Agriculture.

I have friends in the Department. I respect these career servants, and I do not raise my voice against them. I have my doubts about some of the political appointees. But I have the highest regard for the career public servants of the Department, and I commend them; they are carrying out their orders, and are doing their duty.

In fact, sometimes I consult with them; and my consultations with them are more revealing and more reassuring to me than are the statements made by the Secretary of Agriculture.

Mr. DIRKSEN. Mr. President, either my ears deceived me, or the RECORD will show that there was an allegation that the law was being violated. I am willing to let the RECORD speak for itself.

Furthermore, there is a Senate rule that no Senator shall direct the attention of the Senate, during its sessions, to any occupant of the gallery.

I am willing to stand on the RECORD.

But at a time when there are many reporters in the gallery, I think it comes with poor grace to allege a violation of law.

I know what the statute is; I have it here.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. JORDAN in the chair). Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. DIRKSEN. I yield.

Mr. HUMPHREY. If the Senator knows what the statute is, let him read it. It is a violation of law for a member of the executive branch to lobby in Congress.

Mr. DIRKSEN. Mr. President, I do not yield any more.

Mr. HUMPHREY. May I say, most respectfully, any time any Member of this body wants to point out that a member of the executive branch is lobbying, he is privileged to do so.

Mr. DIRKSEN. When there is a request by a Member. That is what the law says.

If the Senator from Minnesota wants to know when I was advised as to the attitude of the Secretary on the pending amendment, I will simply say it was last Tuesday morning. It was not on Capitol Hill, either. When the matter was discussed, I ascertained from the Secretary what his attitude is on the matter. He thinks the bill is a very considerable improvement over what we have at the present time. He feels however, there ought to be a cutoff date. The largest responsible farm organization in the United States has the same idea. I make no bones about the fact that the American Farm Bureau Federation is definitely for the amendment.

I had intended to make only a very brief speech, and merely say there is a dollars and cents floor provided by the bill. It is \$1.10 on corn. That floor is permanent. If it is not permanent, I should like to be corrected. There is a floor under rice. That is \$4 a hundred-weight. That floor is permanent. If I am wrong, I should like to be corrected. There is a floor under cotton. That floor is 30 cents a pound. That floor is permanent. It reminds us of the reply of the fellow in jail. When somebody says "For how long are you in there?" he answers, "From now on." As I read the language, it is from now on. If I am mistaken, I should certainly like to be corrected.

Mr. President, I have lived in the surplus era. I know agriculture is not static. I know that in 1931 there was an average farm price for corn of 29 cents. I know that in 1947 it was up to \$2.16.

I know there are acreage adjustments in the bill. I know the allotment ceiling has come off corn. I know there will be modifications in production, and modifications in production mean modifications in supply. There can be changes in demand.

Mr. President, I am not wedded to rigidity. I am simply not devoted to anything static at a time like this. The amendment merely proposes to put a time limit on these dollars and cents floors: 1960 for corn; 1962 for cotton; 1962 for rice.

The amendment is that simple. If the amendment does not prevail, I intend to vote for the bill. It is that simple, also.

I have sought the advice of my distinguished colleagues on the committee. I think they will bear me out that we have discussed this question quietly, on the whole, in order that I might get light on the subject and move in the right direction. I know some on our own side think this amendment would be a mistake. Therefore, in good faith and in good conscience they are going to oppose it.

I have not lobbied them. I offer the amendment because I think it is the administration's viewpoint. I do it because it represents the viewpoint of the Secretary of Agriculture. I do it because the American Farm Bureau Federation, of which the Illinois Agricultural Association is a component organization, with more than 200,000 farm members in my State, feels this ought to be done. At least they have said so through their responsible committees and officials.

So this is the whole situation in a nutshell; the amendment simply sets a time limit on these dollars and cents floors, so that at some date in the not too distant future Congress will take another look and then determine, by law, what the support level shall be.

Mr. President, that is my whole story in a nutshell, and I am glad to yield and let it rest at that point.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. I listened to the statements made by the Senator from Illinois about the presence of Mr. Wheeler in the gallery. I may say I desired some information regarding farm problems and farm statistics, and I availed myself of his presence by asking him to supply me with the information. From my standpoint, I think it is commendable to have available from the Department men from whom we can ask for information, especially statistical information, dealing with bills which are pending before the Senate. I merely express my gratitude to Mr. Wheeler for the promptness with which he served me.

Mr. DIRKSEN. I am glad the distinguished Senator from Ohio has made that observation. I constantly do the same thing he did. I ask officials of the Department of Justice to come here and



call me from the floor when there is a matter pending on which I need information. I do it respecting matters of defense, labor, welfare, health, and anything which is within the whole wide compass of government. So I thought the criticism was an unnecessary reflection upon a very fine public servant, and that it came with bad grace.

Mr. LAUSCHE. One further question. Does the amendment of the Senator from Illinois provide that at the end of a definite period the provisions which he mentioned will come to an end unless they are renewed by the Congress?

Mr. DIRKSEN. That is correct.

Mr. LAUSCHE. Will the Senator again state which provisions will be terminated at the periods designated by him, as he stated in his main discussion?

Mr. DIRKSEN. The floor for corn is \$1.10, but after 1960 we will take a look-see. On cotton it is 30 cents a pound. After 1962 we will take another look. On rice it is \$4 a hundred. After 1962 we will take another look.

Mr. LAUSCHE. It is the view of the Senator from Illinois, is it not, that, in view of constantly changing conditions, there ought not to be any permanency establish as to price, and there ought to be some assurance that the price or support structure will be reviewed?

Mr. DIRKSEN. That is correct. I point out further that a floor works both ways. Often a floor can become a ceiling. It could be an advantage, and it could be a disadvantage; but I think it would be prudent and wise to take another look, particularly in times such as these, when there are so much change and uncertainty in the world.

Mr. LAUSCHE. What will be the situation, if the amendment of the Senator from Illinois is adopted, when the terminal points are reached? Will there then be a vacuum, or will the existing law go into effect?

Mr. DIRKSEN. It could be either way. It will depend on whether the Congress takes action.

Mr. President, I yield the floor.

Mr. YOUNG. Mr. President, I rise to oppose the amendment of my good friend from Illinois. If price supports are fixed at less than 60 percent of parity, they become meaningless. For example, price supports of less than 60 percent of parity for oats would mean less than 40 cents a bushel in North Dakota. Based on the prewar dollar, that would amount to 20 cents a bushel or less.

I may say to my friend from Illinois, I wish he would visit North Dakota again. I know the Senator visited North Dakota some years ago. There has been a transition in our area.

On my own farm we have not had a corn-crop failure in 15 years. It is true we do not produce as much per acre as some States, but with the cheap land and the wide open spaces we have certain advantages. In North Dakota we can put on a pound of beef or a pound of pork cheaper than it can be done in Iowa, Illinois, or Ohio. That is what the farmers will have to do, and are now doing in ever-increasing amounts. If it is necessary to force us to have even cheaper

feed, we will step up our feeding operations.

Rather than have a price support lower than 60 percent of parity, I would prefer nothing at all. We can produce as many bushels of oats per acre as can be produced in the State of Illinois, Ohio, or Iowa, and we consistently do so. We can do the same thing with barley. If we are forced to cheaper and cheaper feed grains, we will have to engage in greater and greater production of hogs and cattle, which we are doing now.

I hope that this little minimum price support of 60 percent of parity will not be eliminated. If we were talking about 90 percent or 100 percent of parity, it might be different, but when we get down to 60 percent of parity and put a termination date on that, it looks as though the future for farming is not very bright.

I cannot understand why a farm organization or the Department of Agriculture would want a price-support program of less than 60 percent of parity. If it is proposed to have a support program lower than that, it should be abolished completely.

Mr. THYE. Mr. President, I have the committee report in my hand, and I should like to refer to page 3:

#### TITLE II—CORN AND FEED GRAINS

With respect to corn and feed grains, title II provides, effective with the 1959 crops, for (1) discontinuance of corn acreage allotments and the commercial corn-producing area (sec. 201); (2) price support for corn at 90 percent of the 3-year average price (adjusted to offset the effect of abnormal quantities of low-grade corn), but not less than \$1.10 per bushel (sec. 202).

Mr. President, I shall have to oppose the amendment offered by my distinguished friend from Illinois. If we pass the pending bill, we will not have a commercial corn area, and any producer can plant as much corn as he likes. There will be no corn acreage allotments in order to receive price supports. If the bill is enacted, whatever the average market price is for the 3 previous years will then be the basis for determining the support price the farmer will receive for his corn. He will get 90 percent of that average market price, if the amendment of the Senator from Illinois is adopted. Under the bill he will get 90 percent, but in no event can the support price go below \$1.10 per bushel. I think that price floor is essential.

According to the best figures as of now, we anticipate in the first year the corn price will be around \$1.15 on a national average. If the floor of \$1.10 is too high, we can take a look at it in the future.

Reference was made in the debate to a person who was committed indefinitely to a prison. I have been privileged to serve as Governor of my State. Many, many times we reviewed the status of those committed to our institutions under life sentences. If we found any justification whatsoever for the commutation of those sentences, or for the reprieve of those persons, we had such responsibility. I feel that if we find at any future time a floor of \$1.10 is possibly too high we can reexamine the

question and lower the floor, if that is necessary.

I do not want to put up a danger flag in front of the farmers of the Nation and say to them, "We do not give you any kind of assurance after 1960. After 1960 we can drop this program to a lower level."

I want to give the farmer, when he contracts for a \$5,000 combine or a \$3,000 corn picker or any other equipment costing so much under the present inflationary price levels, some assurance that he will have at least an income in the next 2 or 3 years which will permit him to pay his obligations.

That is the principle I believe is involved in the farm bill which we as a committee established after many, many days of sincere study as to what was best. We had testimony from farmers and farm organizations and, after public hearings, we endeavored to draft into legislative language the general thought of the majority of the witnesses to whom we had listened. We have incorporated that thought in the bill to the best of our ability and judgment.

I say again I have great respect for farm organizations, because I myself have been a leader in them for a number of years. I am a member, with my dues paid up, of farm organizations. I am a qualified member. I have respect for those organizations.

But I say again that we must promise our American farmer some hope in this day and age, when the costs the farmer is compelled to pay for machinery and in taxes and for insurance of his property are so high. If we cannot hold out the hope for the farmer to receive around \$1.10 per bushel, what chance will he have? With a floor of \$1.10 per bushel, the average farmer across the land will not get \$1.10. The \$1.10 was the floor last year, but a farmer who got a commodity corn loan in the State of Minnesota averaged about \$1.03 a bushel.

So, much as I respect my friend from Illinois, who has been an honorable legislative Member both in the House of Representatives and in the Senate, and who is now the minority whip of the Senate, in this instance I am going to vote to hold out to the American farmer the assurance that we are not going to drop the price of corn, and of the feed grains equivalent to corn, below what would be \$1.10 per bushel come 1960.

I do not care to argue the question further. If there is something which will justify a review by the Congress from an economic standpoint, the Congress will reconvene in the future, regardless of who happen to sit in this Chamber. The Committee on Agriculture and Forestry will reconvene, just as certain as this Nation stands. I know that those who may serve in the future will be honorable men who will give the question a review in an honest, sincere manner. If a future Congress should find that \$1.10 per bushel is an unrealistic floor, it can be changed. The law can be amended.

I am not in favor of amending the bill which is under consideration now. I want to hold out to the farmers the hope that there is some security for them. If



the farmer contracts for a machine, it will take him many years to pay for it. It will require many years of his effort before the machine is paid for. If a farmer contracts for a piece of land, we have to hold out some certainty that he will be able to pay his obligation. Otherwise he will not incur the obligation.

I want to make it possible for the man who wants to retire and cease being a farm manager or operator to have an opportunity to sell his property to some young farm family which wants to buy it.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. THYE. I am delighted to yield.

Mr. YOUNG. Putting a termination date on the minimum price support of 60 percent of parity, or 60 percent of a fair price, would be the same as putting a termination date on the minimum-wage law, would it not?

Mr. THYE. I can see no difference. It would be exactly the same as if we said to the airlines today, "After 1960 we are not going to continue to subsidize you, if you are operating your international routes in the red." That would be the very same thing.

We have underwritten the costs for the merchant marine, so that our shipowners can invest in vessels which will provide them a certain revenue. We have also helped the airlines. The tariff structure itself has held out a positive hope to the industrialist that he will not be faced with competition which will destroy him. We have said to the businessman, "There is a Tariff Commission which will review all questions." There is a Commerce Department and a Department of Agriculture, to be the spokesmen for the respective activities of the Nation which they represent; the Department of Commerce for business, and the Department of Agriculture in the agricultural field.

I cannot see any justification for saying that we fear to go beyond 1960 with a \$1.10 price, because that would represent about \$1.03 a bushel in the corn-producing area of the Nation.

Mr. MUNDT obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. DIRKSEN. I ask for the yeas and nays on my amendments.

The yeas and nays were ordered.

Mr. MUNDT. Mr. President, I also rise in opposition to the amendments offered by the distinguished Senator from Illinois. I do so as a somewhat lukewarm advocate of the proposed legislation, rather than as one who is enthusiastically and wholeheartedly in support of it. I do so as one who voted neither "yea" nor "nay" on final passage in the Committee on Agriculture and Forestry, of which I am a member, but as one who merely voted "present" in order to establish a quorum so that members of the committee who were in favor of the proposed legislation might get the bill reported to the Senate. I both offered and voted for amendments in committee which were rejected. I expect to support some amendments to it here on the Senate floor.

Until yesterday, I often had some doubts in my own mind as to whether or not this legislation, on balance, was of genuine value to the area of the farm belt which I represent. It has both some good and bad aspects. However, after the adoption of the Young-Mundt amendment last night, which attached the Wool Act to the bill, I am now sure that, on balance, it has a definite value to the farmers of my State. I am sure that, on balance, the passage of this legislation will be much more to the interest of the agricultural area which I represent than would be failure to enact such legislation.

I find in the bill some interesting experimental steps which I believe, for the corn producers of South Dakota, Minnesota, Nebraska, and Iowa, will mean extra dollars in their pockets, and extra opportunity on the farm.

So there are inducements impelling me to vote for the proposed legislation, and I shall support it if it is improved by amendment or if it is not seriously impaired by amendment.

As a supporter of the legislation—as I say, a lukewarm supporter—as one who is convinced that it is not the complete and total answer to the farm problem, as one who recognizes that it is motivated primarily by the distress in which cotton and rice find themselves, and as one of a number of creatures of compromise—and most legislation in the Senate involves compromise in order to bring a bill out of committee—I recognize that we have provided some steps designed to be helpful to cotton and rice.

We have also added some steps in the area of corn which we believe will be useful to producers of that product.

The value of this bill is further buttressed by the fact that, for the first time, price supports on feed grains are made mandatory, which is another advantage so far as our farmers are concerned. It comprises a new victory for price supports. On that basis also I support the proposed legislation.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. THYE. The distinguished Senator from South Dakota touched on a very important phase of the bill, namely, the change to mandatory supports for feed grains, in terms of their equivalent feed value as compared with corn. That phase of the bill is desirable and most important.

As to the other phases, it is a fact that very few corn farmers were able to be in compliance. They had no assurance, if they were out of compliance, that there would be any floor under corn prices, as it was then up to the Secretary of Agriculture to establish the supports. That he had done in the past year, as well as in the previous 2 years.

Therefore we have an improvement in the pending legislation by reason of the mandatory supports for feed grains, and the fact that there is a floor under corn prices.

Another phase is that the so-called commercial corn area designations are abolished. I think the Senator from

South Dakota will agree with me that that is a desirable feature.

Mr. MUNDT. Yes. I was coming to that.

Mr. THYE. The Senator touched on a most important phase of the bill, namely, the floor under prices of feed grains.

Mr. MUNDT. It is certainly true that in a State such as mine, where more than half of the counties are not in the commercial corn belt, the proposed legislation, as applied to corn, would give farmers a more profitable market for their corn. It would give them a greater opportunity to use their acres in the production of corn as a cash crop, and, consequently, as a means of expanding their farm income.

I believe that any farm bill which is passed is somewhat experimental. It is not the complete and total answer. It is not written in perpetuity. As one Member who has served on the Senate Committee on Agriculture and Forestry for quite a while, I am becoming a little tired of constantly enacting legislation on the basis that when we come back next January, on the first day of the session we shall have a pitchfork at our backs and a pistol at our heads, with the admonition, "You must enact new farm legislation in 60 days, 90 days, or 120 days, or else agriculture will go to the bow-wows."

I think it is time to start writing farm legislation as we write other legislation, with a period at the end of it instead of a comma. We can revise it just as well without an expiration date as with it. If the farmers are being hurt next March, or a year from next March, or at any other time, we can enact legislation to correct the situation without a mandate from a preceding Congress which tries to guide the future by the dead hand of the past. Or if, by some happy, fortuitous miracle, the farmer is becoming too rich as a consequence of the new legislation, if he is making so much money that the Internal Revenue Service is unable to forward it all to Washington, and we must cut his income down a little, we can enact equalizing legislation.

Farm legislation is too often enacted for a period of a year, 2 years, or 3 years. When we try to do a businesslike job of writing constructive legislation, we must realize that it is an evolutionary process, which some day, we hope, will flower into permanent legislation giving every farmer, in connection with every crop, a fair price for a full-farm operation.

As we work toward that goal, I dislike to see a calendar on the wall and to be told, "You must do it by a certain date or the farm economy will go to the dogs." I do not know of any other field of economic endeavor which we approach in that manner. I do not see why we must single out the farmer for all the slings and arrows of misfortune if Congress fails to act. Obviously we shall write more farm legislation next year, and the year after that. But we are constantly compelling the farmer to do a plank-walking job; if the ship of state shifts a little he falls into the sea and drowns. Why do we want to put the farmer in that position all the time? We must not



now insert a new bobtailed terminal date in this legislation which will tend to erode the income of our farmers through political maneuvering.

Why not enact a bill, and later correct it, amend it, modify it, change it, adjust it, and readjust it constantly in an effort to give the farmer more net income, a greater degree of parity, and a greater degree of justice, until finally we arrive at the goal of complete equity, complete justice, complete parity. Let us discontinue writing in an automatic termination date whenever we write farm legislation.

So I urge my colleagues not to establish a terminal date which will leave the farmer struggling without adequate legislation in the event Congress becomes so busy with other affairs, or the Senate becomes wrapped up in a filibuster, or something else occurs so that well intentioned Members of Congress simply cannot find time to act at the appropriate hour, so, as a consequence of our inaction, the farmer goes on another toboggan ride. It does not make any sense to me at all. Why should the farmer be victimized like that? Why must the farmer always go through a Perils of Pauline act if Congress does not act promptly? We are going to act in all events as rapidly and as conveniently and as realistically as we can. However, if we place the farmer in that perilous condition, it seems to me we gamble needlessly with a basic industry of this country, to wit, agriculture.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. CURTIS. I wish to join the distinguished Senator from South Dakota in his thought concerning the inadvisability of providing terminal dates, as a general rule, on agricultural legislation. Both of us have seen the time when Congress has met too late the deadlines provided in legislative enactments. The soil had been prepared, the crops planted, and a course of action taken, but Congress acted too late for the farmers to take advantage of the legislation.

Mr. MUNDT. Precisely.

Mr. CURTIS. Another very important reason is this: Too often when we must consider farm legislation under a deadline condition we wind up by not doing as good a job as could be done. Many times we find ourselves in such a position that we must do something in connection with farm legislation, and we do the best we can under the circumstances. That goes on and on and on. We say, "This is the best we can do at this time."

A more basic reason for opposing the amendment of the distinguished Senator from Illinois is that it deprives Congress of facing the issue and devising the best solution it can. It keeps us in the turmoil of always legislating under an emergency.

Mr. MUNDT. I thank the Senator very much for his support, which I believe to be entirely justified. We have had expressions of opposition to the amendments from a number of Republican Senators. I certainly hope that Democratic Senators will join us in expressions of opposition. In this Demo-

cratic Congress of 1958 we have seen a dramatic and drastic laboratory demonstration of what delay can do to injure farm income. This Democratic controlled Congress, for example, has delayed and delayed and delayed action on the renewal of the National Wool Act, which, by an overwhelming ye-and-nay vote yesterday, was added to the bill by the adoption of the Young-Mundt amendment. It should have been enacted in this Democratic Senate many long weeks ago.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MUNDT. I shall be glad to yield in a moment. It should have been passed by the Senate when it was first reported by the Committee on Agriculture and Forestry.

I do not know what causes these delays. But I do know that the sheepmen of the country, in planning for their lambing operations, have lost a sense of security, have been handicapped in their business, have been hampered in their planning, and have been worried and concerned and distressed and unable to program their operations properly, because of the failure of the Democrat policy committee for so long a time to schedule the wool bill for consideration by the Senate. That delay was caused in a body controlled by Democrats. The National Wool Act is so popular that on the ye-and-nay vote last evening only nine Members of the Senate voted against it. However, the delays engineered by Democrats have already caused the wool industry and the sheep industry a considerable amount of money. The Democratic Party must answer to our farmers for these economic losses.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MUNDT. In a moment I shall be glad to yield. What I have said about the wool bill is equally and even more dramatically true about the delay by this Democratic Congress which has brought distress to the American farmer in connection with the very tardy and long postponed action on Public Law 480.

Mr. THYE. That is what I wished to point out.

Mr. MUNDT. Public Law 480 was reported by the Committee on Agriculture and Forestry a long time ago. It was approved by the Senate a long time ago. It had bipartisan support in the Senate a long time ago. Shoulder to shoulder a Democrat like my distinguished friend from Minnesota [Mr. HUMPHREY], and my other distinguished friend from Minnesota [Mr. THYE], as well as other leading spokesmen for agriculture on both sides of the aisle, put Public Law 480 through the Senate.

Then what happened? It was caught in a political trap created by the Democrat Party in the House of Representatives. It is still in that trap, although it is hoped it is about to escape. Since the House finally acted a day or two ago so Public Law 480 is now in conference. So, we can see how politicians sometimes find reasons for delay.

I do not wish to enact legislation with a terminal date, so that another body

in the future, either Republican or Democrat, can stall and delay and argue and criticize, and finally come up with a date torn from the calendar, with the result that the farmer will get hurt by a time-expiration situation.

No one knows how many hundreds of millions of dollars worth of exports in farm products have been denied to the farmers of America, or what reason induced the Democrats in the House of Representatives for the last 90 days to fail to pass Public Law 480, which has expired, and which the Senate long ago adopted by overwhelming action.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MUNDT. I am happy to yield.

Mr. THYE. What the Senator from South Dakota has said is true. We have lost millions of dollars by being unable to dispose of surplus agricultural commodities during the months in which Public Law 480 has been tied up by a political situation in the House of Representatives. The farmers have lost an enormous amount of money. The Secretary of Agriculture has lost much time in which he could have been negotiating for the disposal of surplus agricultural commodities in foreign countries. We have denied him the money and we have denied him the authorization. The bill is still lying in a logjam in the House of Representatives.

Mr. MUNDT. I thank the Senator for his contribution. I wish to point out that it is serious economic business. I do not blame politicians for playing politics. We are all politicians and we all play politics. However, I do not want the farmer to get caught in the middle, so that he can be shot at from both sides by politicians in both parties. Let us recognize once and for all that the farm problem is an economic problem and not a political problem. Let us legislate in search of a sound economic solution rather than in an effort to perpetuate a political issue. I have seen enough of the tragic economic consequences of delays by this Democrat-controlled Congress in connection with what happened to the Wool Act and Public Law 480. They have caused the American farmer to lose many millions of dollars. I do not wish the Senate to pass a bill which contains a terminal date, so that a new series of stalling and a new series of delays will put the farmer in the position of once again being hurt by the onward march of history, which no one is able to stop. For that reason I suggest that we vote against the amendment offered by my good friend from Illinois and that we do not create another hazard and another peril for the American farmer, on top of all the other vicissitudes of weather and economics which now confront him.

Mr. HUMPHREY. Mr. President, I oppose the amendment offered by the distinguished junior Senator from Illinois [Mr. DIRKSEN]. The bill is bad enough as it is, without adding a final blow to it.

This amendment, if adopted, would remove from the bill the floors on rice, cotton, and feed grains. I say that if that is done, we can look ahead to the



day of a depressed agriculture as a surety. There will be every probability of an assured accomplishment.

In the Committee on Agriculture and Forestry, floors such as \$4 a hundred-weight for rice, 30 cents a pound for cotton, \$1.10 a bushel for corn, and a limit of 60 percent of parity for the so-called secondary feed grains—barley, oats, and rye—were placed in the bill to make certain that the Department of Agriculture, in the administration of the act, would not permit a situation to develop which would make prices so low that they would be catastrophic.

The bill already, as it stands, has glaring weaknesses. So far as my part of the country is concerned, the feed-grain section, from the information I obtain from people in Minnesota—and I have received a number of letters and telegrams from a wide variety of farm groups, not simply farmers unions—there is opposition to the price depressing effects of the bill.

The junior Senator from Illinois offers an amendment which deletes one of the more satisfactory provisions of the bill. He says it is the administration's amendment; that it has the support of the Secretary of Agriculture; that it has the support of the American Farm Bureau Federation.

So the issue is clearly drawn. I am opposed to the amendment. I am delighted that the yeas and nays have been ordered on it, because now we will stand up and be counted. We will say whether we wish to eliminate any modicum of protection for agricultural producers.

I just listened to the speech by the distinguished Senator from South Dakota [Mr. MUNDT]. It really interested me. The first part of his remarks related to the Wool Act. The Senator from South Dakota related how the delay by the Senate in connection with the Wool Act had caused uncertainty and loss to the farmers.

The Wool Act does not expire until March 1959. We seldom legislate a year in advance. Several months of authority for the Wool Act still remain.

I wish the same concern had been shown by the Department of Agriculture for the dairy industry as it has shown for the wool producers.

Do not misunderstand me. I supported the Wool Act. I was a cosponsor of it. I voted for the Wool Act as an amendment to the bill. That was and is one of the amendments which the administration was willing to accept. It is a 90 percent of parity, or better, amendment. I am all for that, but I wish to make it quite clear that any talk about delay concerning the Wool Act jeopardizing wool production is simply political hokum.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. YOUNG. Under the Wool Act, the Secretary of Agriculture must announce this fall the price support for the next year.

Mr. HUMPHREY. That is correct.

Mr. YOUNG. Unless the act were extended now, the Secretary could not announce the price support for next year

as required under the law which must be made this fall. The producers must make their arrangements beforehand. They must purchase ewes and make their production plans ahead of time. The expiration date is March 1959. There would be great uncertainty until the next Congress acted; and it probably could not act until March or April of next year.

Mr. HUMPHREY. I fully appreciate that. But the month of July is not "this fall." It is quite hot; it is red hot; it is still in the heat of summer.

I say this in all good nature to my friend from North Dakota. The major issue before Congress was not whether we would enact a wool bill, everyone knew it would be enacted. It could have been enacted as a separate bill. I supported it as an amendment to the bill under consideration, because, like other Senators, I wanted to be sure we had such a law.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to my colleague.

Mr. THYE. In all good humor I say to my colleague, because I share his feelings on every phase of the farm bill, that in relation to the question of acting on a wool bill in advance of the expiration of the present law, it is important to do so because it is necessary for a sheep raiser to carry a lamb for about a year and a half before it will breed. If a farmer or a rancher is to make plans for 1959, he must know in this calendar year what the situation will be, price-wise, both for wool and lambs. Then he will know whether to hold back his ewes this year, if he expects to have them as a breeding flock for next year. That is why it is important for us to act a year in advance.

But I agree with my colleague that the law does not expire in this calendar year. It extends until next year. There is no question about that.

Mr. HUMPHREY. I appreciate the statement which my colleague has made.

As to Public Law 480, I want the RECORD to be quite clear that last year when that law was passed, it was not passed until late in the summer. I believe it was in August or the latter part of July, even though the act itself had expired on June 30. I am referring to the act authorizing financing. At that time I tried to get a 2-year extension of the act. I also tried to get additional moneys for the act. I predicted then exactly what would happen, because the pattern has been the same year after year. I said we should have a 2-year extension, so that we would have a better program and better planning, and would not encounter delays.

I also said then that more money was needed; that the Department was not advocating the amount of funds which were required. The position of the Bureau of the Budget was untenable.

The truth is that the money was available under Public Law 480, so far as commitments were concerned, in the spring of this year—not now, but in the spring, March and April.

We had already made, through the Department of Agriculture, commitments for the sale, under Public Law 480, of goods held by the Commodity Credit Corporation in an amount which was equal to the total amount of funds which were authorized.

So if there is a problem, we shall have to take the blame, for I suggest that there must be a lot of sharing of the blame.

I think it is fair to say that the junior Senator from Minnesota was advocating a 2-year extension rather than an extension of 1 year. Frankly, it should be 5 years. Frankly, the Government of the United States has a report, which is now before the departments, advocating 5 years. The administration has a report advocating 5 years. I advocated 2 years as a modest proposal.

So I simply want the RECORD to be quite clear that the administration has been derelict in its responsibility to program properly Public Law 480 requirements. Had the Government done so, believe me, we would not be in all the trouble we are in at present.

Mr. President, as I understand, the yeas and nays have been ordered on the Dirksen amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HICKENLOOPER. Mr. President, I support the amendment because I think it is a good amendment. I think it was drawn with prudence and will be very helpful to the eventual adjustment of the farm program.

As was pointed out by the junior Senator from Illinois, the amendment simply provides a cutoff date before which, if Congress desires, it can take a look at the program. No one knows what will happen in the next 2 or 3 years to farm production. It is entirely possible that we may produce tremendous surpluses again.

I hope that production and the demand for the things produced will be more nearly in balance. I hope the price of corn, for instance, will not go down to the floor of \$1.10, on the average, for farmers throughout the country.

But some unfortunate misconceptions are being spread about the farm program. I can speak a little more accurately about corn than I can about cotton and rice, because I am not familiar with the cotton and rice problems.

But under the bill, with a \$1.10 floor, the corn farmer will be much better off than he is under the price-support program. This is a better bill for the corn farmer, when we stop to think that only 14 percent of the farmers in the commercial corn area took advan-



tage of the corn loan program last year. That left 86 percent who paid no attention to it, but sold their corn on the open market, at prices which were down to an average of a dollar a bushel in the noncommercial areas.

When we stop to think that, this year, only approximately 12 percent of the corn producers of the country will participate in this program and will attempt to take any advantage at all of the storage program in the commercial corn area, we can readily realize that the acreage allotments are not important to the corn producer; he simply is not using the machinery which is provided by the law.

The pending bill simplifies the law; the bill eliminates the acreage measurement, which is so troublesome in all the hundreds of commercial corn counties of the Nation. The bill simplifies the administration of the law; and I think the bill will save vast amounts of money to the Department of Agriculture and to the taxpayers.

The bill establishes a floor of \$1.10, which actually is better than the floor now available to noncompliers.

The amendments of the Senator from Illinois permit the arrangement to continue for several years, and then Congress can examine it, and then ascertain the situation of agriculture—or, I should say, permit the arrangement, so far as corn is concerned, to continue for several years, and to continue through the 1962 crop year, in the case of cotton and rice.

I think the amendments are desirable, and will give the Congress notice and warning that it should reexamine the program several years from now, determine how it is working, and then pass whatever affirmative legislation might then be indicated as desirable.

It is for these reasons that I shall support the amendments of the Senator from Illinois.

**THE PRESIDING OFFICER.** The question is on agreeing en bloc to the amendments of the Senator from Illinois [Mr. DIRKSEN].

**Mr. ELLENDER.** Mr. President, I shall say only a few words about the amendments.

I rise in opposition to the amendments of the Senator from Illinois.

This amendment limits to 2 years the periods during which the 30-cent minimum support price for cotton, the \$1.10 minimum support price for corn, and the \$4 minimum support price for rice would be in effect. In the case of cotton and rice the amendment would limit these minimums to the 1961 and 1962 crops. In the case of corn the minimum would be limited to the 1959 and 1960 crops. The amendment suggests that Congress would fix new minimums at some subsequent date to be applicable after the end of the 2-year period in which each minimum provided by the bill would be in effect.

The committee on Agriculture and Forestry spent considerable time in studying the bill. In the course of our deliberations, quite a number of concessions were made and compromises were reached, in order that the committee might come to an ultimate agreement

on a bill which could be reported to the Senate, and signed by the President.

I am in complete accord with the views which have been expressed so well by my good friend, the Senator from South Dakota [Mr. MUNDT].

I would like to point out to the Senate that the pending bill is more or less permanent in nature. But, as I have said, if the amendments of the senior Senator from Illinois are adopted, the price support floors fixed in the bill will expire at the end of 2 years.

Mr. President, Congress is not prohibited from reviewing at any time any piece of legislation which may be on the statute books. I am sure that if in 2 or 3 or even 4 years from today, it is shown that the pending bill is not working properly, Congress will take appropriate action as a matter of fact. I would personally take the lead in such a review under those conditions.

But, Mr. President, why should the Congress provide now that at the end of 2 years, these floors shall be removed?

I wonder how many Senators present in the Chamber would vote for a minimum wage bill which provided for a minimum wage of, let us say, \$1 an hour, if the bill would expire at the end of 2 years.

Mr. President, the Committee on Agriculture and Forestry worked hard and diligently on the pending bill, in order to report some type of acceptable farm legislation to the Senate. With that in mind I am very much surprised and disappointed to learn that the administration favors the Dirksen amendments. I say this because if those amendments are adopted, I fear we shall not have a farm bill this session of Congress. In my judgment, the amendments are just that bad.

Mr. President, for the past 20 years there have been some kind of minimum prices in effect for commodities produced by farmers. Although those prices were placed on a sliding scale, yet they were prices on which the farmers could depend.

In the present case, we fix a price of \$1.10 for corn—or approximately 62 or 63 percent of parity; a price of 30 cents for 1-inch cotton—or approximately 65 to 66 percent of parity; and we have made a similar provision for rice.

Why should we vote to remove the props from under the price supports?

So, Mr. President, I ask that the amendments of the Senator from Illinois be rejected.

**Mr. CARLSON.** Mr. President, will the Senator from Louisiana yield to me?

**Mr. ELLENDER.** I yield.

**Mr. CARLSON.** I appreciate very much the statement which has been made by the distinguished chairman of the Committee on Agriculture and Forestry.

I have not had the privilege of hearing all the debate on the amendments, because all morning I have been in the Finance Committee. But I concur in the statements which have been made by the distinguished chairman of the committee.

I can imagine the unrest and the concern which would affect agriculture if the amendments were adopted.

In the case of the average farm on which there is a mortgage, the mortgage runs for years, and the farm family which must make the payments on the mortgage has been looking forward to rather stable conditions in agriculture for the next few years. But these amendments, if adopted, would remove the props.

Let us consider the situation of those who plan to buy farm machinery in the next several years. If these amendments are adopted, and become law, those who plan to buy farm machinery in the next several years will have to abandon their plans, because, once the amendments are adopted, they will not know what the agricultural conditions in the next few years will be.

Furthermore, I believe the amendments would have a very serious, adverse effect on the prosperity of the Nation as a whole, because agriculture is a most important segment of the entire economy.

Frankly, I cannot conceive that the amendments will be adopted.

It may very well be that some of the floors will need to be reviewed; but that can be done either next year or the following year.

So, Mr. President, I shall vote to reject the amendments.

**THE PRESIDING OFFICER.** The question is on agreeing en bloc to the amendments of the Senator from Illinois [Mr. DIRKSEN].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

**Mr. MANSFIELD.** I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Missouri [Mr. HENNING], the Senator from Florida [Mr. HOLLAND], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate attending the 49th Congress of the International Parliamentary Union at Rio de Janeiro, Brazil.

The Senator from Arkansas [Mr. McCLELLAN] is absent because of a death in the family.

On this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Missouri [Mr. HENNING]. If present and voting, the Senator from Delaware would vote "yea" and the Senator from Missouri would vote "nay."

The Senator from Florida [Mr. HOLLAND] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from Florida would vote "yea" and the Senator from Pennsylvania would vote "nay."

The Senator from Florida [Mr. SMATHERS] is paired with the Senator from West Virginia [Mr. HOBLITZELL]. If present and voting, the Senator from Florida would vote "nay," and the Senator from West Virginia would vote "yea."

The Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Michigan [Mr. PORTER]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Michigan would vote "yea."



Mr. DIRKSEN. I announce that the Senator from South Dakota [Mr. CASE] and the Senator from West Virginia [Mr. HOBLITZELL] are absent because of official business having been appointed by the Vice President to attend the 49th Congress of the Interparliamentary Union in Rio de Janeiro.

The Senator from Colorado [Mr. ALLOTT] is absent because of illness.

The Senator from Vermont [Mr. FLANDERS] and the Senator from Michigan [Mr. POTTER] are necessarily absent.

If present and voting, the Senator from Vermont [Mr. FLANDERS] and the Senator from Colorado [Mr. ALLOTT] would each vote "yea."

The Senator from West Virginia [Mr. HOBLITZELL] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from West Virginia would vote "yea" and the Senator from Florida would vote "nay."

The Senator from Michigan [Mr. POTTER] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Michigan would vote "yea" and the Senator from Texas would vote "nay."

The result was announced—yeas 33, nays 51, as follows:

## YEAS—33

|             |              |              |
|-------------|--------------|--------------|
| Aiken       | Cotton       | Malone       |
| Anderson    | Dirksen      | Martin, Iowa |
| Barrett     | Goldwater    | Martin, Pa.  |
| Beall       | Hickenlooper | Morton       |
| Bennett     | Hruska       | Pastore      |
| Bricker     | Ives         | Payne        |
| Bridges     | Javits       | Purtell      |
| Bush        | Jenner       | Revercomb    |
| Butler      | Knowland     | Saltonstall  |
| Capehart    | Kuchel       | Smith, N. J. |
| Case, N. J. | Lausche      | Williams     |

## NAYS—51

|           |                 |              |
|-----------|-----------------|--------------|
| Bible     | Hill            | Murray       |
| Byrd      | Humphrey        | Neuberger    |
| Carlson   | Jackson         | O'Mahoney    |
| Carroll   | Johnson, Tex.   | Proxmire     |
| Chavez    | Johnston, S. C. | Robertson    |
| Church    | Jordan          | Russell      |
| Cooper    | Kefauver        | Schoeppel    |
| Curtis    | Kennedy         | Smith, Maine |
| Douglas   | Kerr            | Sparkman     |
| Dworshak  | Langer          | Stennis      |
| Eastland  | Long            | Symington    |
| Ellender  | Magnuson        | Talmadge     |
| Ervin     | Mansfield       | Thurmond     |
| Fulbright | McNamara        | Thye         |
| Gore      | Monroney        | Watkins      |
| Green     | Morse           | Wiley        |
| Hayden    | Mundt           | Young        |

## NOT VOTING—12

|               |            |            |
|---------------|------------|------------|
| Allott        | Frear      | McClellan  |
| Case, S. Dak. | Hennings   | Potter     |
| Clark         | Hoblitzell | Smathers   |
| Flanders      | Holland    | Yarborough |

So Mr. DIRKSEN's amendments were rejected.

Mr. MANSFIELD. Mr. President, I move that the vote by which the amendments were rejected be reconsidered.

Mr. ELLENDER. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana to lay on the table the motion of the Senator from Montana to reconsider.

The motion to lay on the table was agreed to.

# LETTER FROM PRESIDENT EISENHOWER TO NIKITA KHRUSHCHEV, CHAIRMAN OF THE COUNCIL OF MINISTERS OF THE UNION OF SOVIET SOCIALIST REPUBLICS

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which has just been released by the White House, from the President of the United States to Nikita Khrushchev, chairman of the Council of Ministers of the Union of Soviet Socialist Republics.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE, July 25, 1958.

DEAR MR. CHAIRMAN: I have studied your letter of July 23. I find in it apparent misunderstandings of the views expressed in my letter of July 22, which I would request you to read again more carefully.

I then said that if, despite the facts established in the recent meetings of the Security Council, your Government still desires to allege that the situation in Lebanon constitutes an imminent danger to peace in the Middle East, the proper forum for appropriate discussion is the United Nations Security Council. I am glad that you now recognize the responsibility of the United Nations and have withdrawn your original proposal which would have gravely undermined the prestige and authority of the United Nations.

My letter pointed out that the Charter of the United Nations authorizes members of government, and that of course includes heads of government and foreign ministers, to represent a member nation at the Security Council and that if such a meeting were generally desired, the United States would join in following that orderly procedure. It is, of course, not yet certain that such a meeting is in fact generally desired, although that may prove to be the case.

You now make specific suggestions dealing with the composition of the Security Council and the conditions under which nations other than members of the Council may participate in discussions of the Council. My letter to you of July 22 urged that one of the advantages of proceedings in the Security Council is that there are established rules on these matters and it is accordingly not necessary to rely on improvising. I pointed out that when rules of this kind are sought to be improvised, there is raised a whole series of new problems, notably as to the participation and nonparticipation of various states. The United States will adhere, in these respects, to the Charter, which lays down the conditions under which nations which are not members of the Council may participate in the discussions of the Council.

As to the agenda, we agree that it should be limited to a discussion of the problems of the Middle East, including the causes of those problems. I would, however, be lacking in candor if I did not make clear that to put peace and security on a more stable basis in the Middle East requires far more than merely a consideration of Lebanon and Jordan. These situations are but isolated manifestations of far broader problems. In my opinion the instability of peace and security is in large measure due to the jeopardy in which small nations are placed. It would be the purpose of the United States to deal with the specific incidents you raise within that broad context. To do otherwise would be to be blind to the teaching of history.

You will recall, Mr. Chairman, that World War II was brought about by a series of acts of direct and indirect aggression against small nations. In March 1939 the then head of the Soviet Communist Party pointed out that the failure of nonaggressive nations, among which he named Britain and France, to check direct or indirect aggression against small countries, meant "giving free rein to war and, consequently, transforming the war into a world war." That forecast unhappily proved true.

You will also recall the 1950 "peace through deeds" resolution of the General Assembly which condemns the "fomenting of civil strife in the interest of a foreign power," as among the gravest of all crimes.

It is my earnest hope that through the United Nations Security Council steps can be taken in regard to the Middle East which, by making peace more secure there, will help promote it elsewhere.

In conclusion, I suggest that the permanent representatives of the members of the United Nations Security Council in New York should exchange views, under arrangements made by the Secretary General, to ascertain that a meeting of the kind and under conditions I suggest is generally acceptable. If so they should also agree upon a date which would be generally satisfactory. The date of July 28 would be too early for us.

I am today authorizing our own permanent representative to act in this sense.

Sincerely,

DWIGHT D. EISENHOWER.

## NOTICE OF CONSIDERATION OF CONFERENCE REPORT ON INDEPENDENT OFFICES APPROPRIATION BILL ON MONDAY

Mr. MAGNUSON. Mr. President, I had notified several interested Senators that I would bring up at 2:30 this afternoon the conference report on the independent offices appropriation bill. In view of the importance of the pending bill and the fact that consideration of the conference report would take a little time and would involve a yea and nay vote, I announce to the Senate that I shall bring up the conference report on Monday.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13066) making appropriations for the legislative branch for the fiscal year ending June 30, 1959, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 17, 20, 38, 40, 42, 43, 44, 47, 50, 54, and 55 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 16 and 56 to the bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and



joint resolution, in which it requested the concurrence of the Senate:

H. R. 12662. An act to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Standing Rock Sioux Reservation in South Dakota and North Dakota and for other purposes;

H. R. 12663. An act to provide for additional payments to the Indians of the Lower Brule Sioux Reservation, South Dakota, whose lands have been acquired for the Fort Randall Dam and Reservoir project, and for other purposes;

H. R. 12670. An act to provide for additional payments to the Indians of the Crow Creek Sioux Reservation, South Dakota, whose lands have been acquired for the Fort Randall Dam and Reservoir project, and for other purposes;

H. R. 13489. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes; and

H. J. Res. 648. Joint resolution providing for a joint session of Congress for commemorating the one hundred and fiftieth anniversary of the birth of Abraham Lincoln.

#### ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1732. An act to readjust equitably the retirement benefits of certain individuals on the Emergency Officers' Retired List, and for other purposes;

H. R. 11636. An act to amend section 6018 of title 10, United States Code, requiring the Secretary of the Navy to determine that the employment of officers of the Regular Navy on shore duty is required by the public interest; and

H. R. 12541. An act to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes.

#### HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 12662. An act to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Standing Rock Sioux Reservation in South Dakota and North Dakota, and for other purposes; and

H. R. 12663. An act to provide for additional payments to the Indians of the Lower Brule Sioux Reservation, S. Dak., whose lands have been acquired for the Fort Randall Dam and Reservoir project, and for other purposes;

H. R. 12670. An act to provide for additional payments to the Indians of the Crow Creek Sioux Reservation, S. Dak., whose lands have been acquired for the Fort Randall Dam and Reservoir project, and for other purposes, to the Committee on Interior and Insular Affairs.

H. R. 13489. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes; to the Committee on Appropriations.

H. J. Res. 648. Joint resolution providing for a joint session of Congress for com-

memorating the 150th anniversary of the birth of Abraham Lincoln; to the Committee on Rules and Administration.

#### AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. CARLSON. Mr. President, the pending bill dealing with our farm problems contains no provision for wheat. I trust this does not mean that wheat is not a part of the farm problem. As a matter of fact, it is always a problem, except for periods when we are in war.

In the first place, we are this year producing our largest wheat crop. This large crop will be added to our already burdensome surplus. The June 1 wheat crop forecast was 1,271,000,000 bushels. To that we must add 5 million bushels of wheat imports, which is mostly seed and feed quality wheat.

The Kansas wheat harvest estimate of 273,938,000 bushels is the third largest on record. The estimate is based on a record average yield of 26 bushels to the acre on the estimated 10,538,000 acres being harvested. Last year Kansas produced 100,111,000 bushels of wheat.

I invite the attention of the Senate to the fact that this year, as I stated earlier, we will produce 275 million bushels.

Our Nation's farmers have not only produced a large wheat crop, but present indications are we will have an overabundance of the feed crops. This means there will be but a small increase in the use of wheat for feed, and therefore domestic consumption for 1958-59 is expected to rise slightly above the figure of the previous year, to 593 million bushels.

We are getting excellent crop reports from Europe, and the favorable crop prospects there will probably reduce United States exports to 375 million bushels. This means that the remainder of the 1958 crop would be piled on top of the 890 million bushel carryover, or surplus, from the 1957-58 marketing year. Based on these figures, this would create a record high surplus of about 1,200,000,000 bushels on July 1, 1959, more than 300 million bushels above the July 1 estimate this year.

In the second place, wheat prices this year have dropped to their lowest point in 13 years, as a result of this year's heavy crop, lowered price supports, and the large amount of free wheat. The actual price paid out in the wheat area in the harvest season was as low as \$1.45 a bushel, which was the lowest price since 1945.

These two situations make a real problem not only for the wheat producers of the Nation, but for the Government itself, which has an investment of hundreds of millions of dollars in this commodity.

For the sixth straight year the Nation's farmers voted to continue Federal wheat acreage allotment control, with its companion provisions for price supports at 75 percent of parity.

I was interested to note the vote which was taken some time ago—as a matter of fact, on June 20—on the question of continuing the acreage allotments, plus 75 percent of parity supports.

Over the country as a whole 79.8 percent of the farmers voting favored the extension. In Kansas the percentage was 76.3—seven-tenths of 1 percent lower than last year.

In the farm price support field, I sense a confusion about the economic consequences of the various alternatives which are open to the farm people at this time. The confusion is especially great with respect to the economic effects of the current price-support programs.

At this point I wish to say that I was pleased that the Senate voted not to destroy the floors under the agricultural support program. I stated, when the amendment was before the Senate for consideration, that I thought it would be a disastrous move; that it would have a bad moral effect and a bad economic effect; and that in fact I could not conceive the Senate would want to take such action at this time, when agriculture is just beginning to have some slight increase in its income.

Few people realize the extent to which farm commodity price supports, marketing controls, and supplementary distribution programs have bolstered farm income in recent years. My agricultural economist friends advise me that the Department of Agriculture does not publish sufficient details about its price-supporting operations at the present time to permit wholly satisfactory appraisal. We do know, however, that the Commodity Credit Corporation has been acquiring about \$3 billion worth of farm products each year in its loan and purchase operations.

Sales at world-price levels in dollar markets abroad, sales for foreign currency, and donations for relief distribution at home and abroad have been used to dispose of Commodity Credit Corporation stocks. By these operations Commodity Credit Corporation holdings have been reduced from \$8.9 billion in February 1956, to \$7.2 billion in December 1957. But many of these disposals have been outside commercial markets; they have been in the form of donations to public institutions, the school-lunch program and public-relief programs in this country, and donations to relief agencies and sales for foreign currencies abroad.

The net removal of farm products from commercial markets by Government price-supporting operations has varied from \$3.2 to \$1.8 billion in the past 4 years. Economists are not fully agreed on how much lower farm incomes would have been but for the removal of these large quantities of farm products from commercial markets. As a conservative estimate it appears that farm income would have been at least \$2 to \$5 billion lower during each of the last few years, except for the Government's price-supporting activities.

Total realized net income from farming has varied from \$13.9 to \$11.5 billion during the last 5 years. Except for the



price-supporting activities of the Government, including production controls on a number of crops, and extensive supplementary distribution programs, realized net farm income almost surely would have been 25 to 30 percent or more lower.

I cite these figures, not as a justification for a continuation of existing price-support programs—I cite them as evidence that, in the long run, price supports have increased farm output, and have tended to lower food costs to consumers, in the same manner that our research and educational programs have done.

Farmers would like, generally, to be relieved of controls, but realize that under the present farm program it would be disastrous to remove the floor out from under farm products, and while it may be successfully contended that it would be good for the Nation's economy for farm products prices to fall to the natural level dictated by demand, it would work an unfair hardship on the farmer to single him out for such treatment.

We must keep in mind that the farmer, like every other citizen in this period of high taxes, high labor costs, and high farm machinery costs, must have a substantial income if he is to hold his place in our present domestic economy.

We must remember that it takes 65 percent of the income farmers receive just to pay their production expenses. A 10½ percent drop in farm prices results in a 30 percent drop in net farm income.

With 4 to 6 percent more farm products coming to market year after year than there are market outlets available at stable prices, a sharp fall in farm prices and incomes is inevitable.

I do not believe that the farmers will be willing to accept a 25 to 40 percent reduction in net income below current levels. As a matter of fact, I believe this great reduction would be disastrous.

Congress must, in my opinion, decide whether it wants to go the free-market route in agricultural policy or whether it wants to modernize existing price-support programs and maintain and improve the income of farm families.

When the economic facts are fully understood as I have presented them today, there is no doubt in my mind what course of action the electorate will demand and Congress will take. I am confident we will modernize existing price-support programs and maintain the income of farm families.

Domestic parity programs for our major export crops—cotton, wheat, and rice—have the great advantage that they assure producers stable prices and incomes on their production for domestic markets. At the same time, either immediately or in the near future they will allow farmers to grow as much of these crops as they desire for export at unsubsidized world prices.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. NEUBERGER. I was particularly moved to interrupt the distinguished Senator from Kansas at this

point because he referred to the domestic parity program for various non-perishable crops in general, and for wheat in particular.

Let me say, by way of preface, that wheat is the only so-called basic crop grown in commercial quantities in my State. I regard the Senator from Kansas as the foremost authority in the United States Senate on wheat. If I am not mistaken, his State of Kansas is the leading wheat producing State of the Nation, or one of the two leading States in the production of wheat.

Mr. CARLSON. We boast of the fact that we grow one-fourth of the winter wheat of the Nation; and this year we shall exceed that mark.

Mr. NEUBERGER. Then the State of Kansas is even more of a leader in the production of wheat than I had thought.

The Senator from Kansas exemplifies in his attitude in the Senate the great dominant agricultural crop of his State—wheat. The Senator from Kansas has not only been a leader in agriculture generally, but, if I am not mistaken, he was the principal sponsor of the domestic parity plan for wheat, which the Senate passed in 1956. A number of Senators were privileged to be cosponsors, and I was among that group.

I should like to discuss with the Senator from Kansas this afternoon the domestic parity program, which is sometimes called the two-price plan.

Mr. CARLSON. In view of the fact that the Senator has mentioned the bills which I introduced, I think it would be well at this point to mention the number, and the cosponsors, before we proceed with the discussion.

Mr. NEUBERGER. I think that would be very appropriate.

Mr. CARLSON. On February 24, 1956, in the 84th Congress, I introduced a bill providing for a domestic parity plan for wheat. That was Senate bill 3183, which was cosponsored by the senior and junior Senators from Oregon [Mr. MORSE and Mr. NEUBERGER], the senior Senator from Washington [Mr. MAGNUSON], the junior Senator from Washington [Mr. JACKSON], the Senator from South Dakota [Mr. CASE], the Senator from Nebraska [Mr. CURTIS] and the Senator from Michigan [Mr. McNAMARA]. That bill passed the Senate on July 25, 1956. It was an amendment to the farm bill which was then pending, Senate bill 12. The vote at that time was 54 to 39. I have always appreciated the fine support I received from the Senator on that occasion.

On January 23, 1957, I introduced Senate bill 774, which was cosponsored by the senior and junior Senators from Oregon [Mr. MORSE and Mr. NEUBERGER], the Senator from South Dakota [Mr. CASE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Wyoming [Mr. BARRETT], the senior Senator from Washington [Mr. MAGNUSON], the junior Senator from Washington [Mr. JACKSON], the junior Senator from North Dakota [Mr. YOUNG], the Senator from Nebraska [Mr. CURTIS], the Senator from Minnesota [Mr. HUMPHREY], and the senior Senator from North Da-

kota [Mr. LANGER]. That bill was referred to the Senate Committee on Agriculture and Forestry, and testimony was heard in behalf of it, but the bill before the Senate at the present time does not contain such a provision.

I thought the historical reference should be made to that fact.

Mr. NEUBERGER. Mr. President, will the Senator further yield?

Mr. CARLSON. I yield.

Mr. NEUBERGER. I think the chronological record of our efforts in behalf of the two-price plan, which has been read by the Senator from Kansas, is very pertinent at this point, and I appreciate his including it in the RECORD.

I should like to ask several questions about the domestic parity program. Before I became a Member of the Senate, I was somewhat skeptical of the program. During my campaign for the Senate in 1954, I was urged to advocate it, but I did not do so, because I felt that in connection with so vital a question I should not take a position which might be regarded merely as politics. It seemed to me to be a somewhat complicated question, and I felt that I wished to study it in greater detail, and apart from a partisan political atmosphere.

After election to the Senate, I spent a great deal of time with officers and members of the Oregon Wheat Growers League. I studied the plan. I tried to analyze it carefully. I obtained the best advice and counsel I could obtain from the agricultural economists at Oregon State College, which has an excellent School of Agriculture. In addition, I sought advice and counsel in wide areas elsewhere.

I came to the conclusion that, while the plan may have certain imperfections, there was no other program which seemed so feasible and so efficient for a crop which is produced in the United States in such large domestic surpluses as is wheat. Does the Senator agree in general with that conclusion?

Mr. CARLSON. The Senator from Oregon comes from a good State so far as dealing with domestic parity is concerned, because, historically, the McNary-Haugen bill was sponsored by a very able Senator from the State of Oregon many years ago. I knew him quite well personally. The Senator from Oregon, therefore, has a very good background for this type of program.

Frankly, I cannot see any future for the wheatgrowers of the Nation except through a domestic parity program. I believe that has been proved this year. We are operating under a limitation of 55 million acres, in accordance with Federal statute. Yet, as the distinguished Senator from New Mexico [Mr. ANDERSON] stated last night—and he expressed it very well—based on 1938 production figures, we are today, on 55 million acres, producing the equivalent of 82 million acres in 1938. We are doing that because we have improved our methods and increased our soil fertility, and so forth. Therefore, I cannot see any future for the wheatgrower except through a program of this type.



Mr. NEUBERGER. I should like to ask the Senator from Kansas, who is an outstanding authority on the proposed plan, several specific questions about it. As I understand, the domestic parity program would operate in this way. Whenever I am inaccurate or not quite correct in my statement, I would be in the Senator's debt if he would correct me. As I understand the plan, that portion of the wheatgrowers' crop which is used for human consumption in the American market would be supported at full parity. Is that correct?

Mr. CARLSON. That is correct. That is the proposal.

Mr. NEUBERGER. The portion of the crop which would go into the world market and be sold overseas, and that portion which would be sold for animal consumption or poultry feed, would merely seek its own level and would receive no Government assistance, no Government support, and no Government subsidy whatever. Is that correct?

Mr. CARLSON. If it could be put into effect without the great burdensome surpluses we have at the present time it would be a good program. It would provide 100 percent parity for the portion consumed in this country; the remaining portion would be exported or fed on the farm, without supports and without subsidy.

We must be frank in a discussion of this situation. We have and we will have next July more than 1,200,000,000 bushels of wheat in surplus. Therefore I would be less than frank if I did not state that we must have some acreage controls until we dispose of some of the surplus.

Second, we are having difficulty in the foreign markets. We are being criticized by our neighbor to the north, Canada, and by some other countries, for dumping our wheat by subsidizing it as high as 95 cents a bushel. I would like to say that the people who contend that the proposed program is a dumping program had best look at our present program. The argument against the proposed program, that it is a dumping program and would endanger us internationally, is not a sound one, because we are already doing that, although I do not agree it is justified.

Mr. NEUBERGER. The Senator has raised a very valid point. In the debate on the two-price plan a few years ago, one of the main points raised against it in the press and by some Members of the Senate was that it was a dumping program. Our two-price plan did not go into effect. Yet, today, we are charged with dumping wheat.

Each day I read the debates in the Canadian Parliament in Ottawa known as Hansard, which is the equivalent of our own CONGRESSIONAL RECORD. Day after day for the past several years, I have read the complaints by members of the Canadian Parliament from the great wheat growing provinces, like Alberta, Saskatchewan, and Manitoba, about the so-called dumping of wheat by America. This is occurring during a time when the United States does not have in operation the two-price plan. Certainly it cannot fairly be said that the two-price plan would result in the dumping of wheat if

the situation complained of already exists without a two-price plan. I am pleased that the Senator has made that statement for the RECORD.

Mr. CARLSON. The President of the United States was in Canada a few weeks ago. I believe I can honestly state that that was one of the most ticklish situations he had to deal with. Canada, with 750 million bushels of wheat has a population of between 15 and 20 million. We have a billion, 200 million bushels of wheat and a population of perhaps 173 million. It is a problem.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. AIKEN. I should like to point out to the Senator from Kansas and to the Senator from Oregon a situation which would greatly aggravate the charge of dumping on the part of other countries. Senators will recall that the Senate passed a bill renewing Public Law 480, a very fine law. Before we passed it we rejected a proposed amendment which would have provided for a compulsory bartering of surplus farm commodities owned by the Commodity Credit Corporation. The House has passed a bill to continue Public Law 480, and has, for all practical effect, restored the compulsory barter provision which the Senate refused to adopt. It would be fatal to the law to approve the House version, for this reason:

There are traders—or whatever one may wish to call them—who go into foreign countries and offer to sell American farm commodities for considerably less than the world market price, and take their pay in commodities produced by another country which are to be shipped into the United States. They have the use of free money for a period of time—2 or 3 years—I forget how much time it is—and they are also able to make very sharp deals.

As an example, I have in mind one particular country to which a barterer offered wheat at \$12 a ton below the regular market price. In other words, if the barter provisions were enacted by Congress and signed by the President, wheat could be offered for \$60 a ton in a barter deal. Then the barterers would take their pay in metals, of which our country already has a great supply. It usually involves Mexican lead and zinc. In that way they not only demoralize the foreign market, cut into our dollar market, and cut into Canada's dollar market, but also bring into the United States surplus metals, which they take in trade from a third country, and in that way demoralize the mining industry.

I am making that point because the Senator from Kansas has given me an opening to make it. It must be guarded against, because we are in danger of demoralizing the grain market and also the metal market.

Mr. CARLSON. The Senator from Vermont has raised a point which, beyond question, is very sensitive when we start dealing with foreign countries. I have visited several countries and, when it comes to dealing with wheat-producing countries like Canada, Argentina, Australia—and now other foreign countries, like France, are also producing wheat—

I know it is a very ticklish situation and requires the very best consideration. I am sure the Senator from Vermont, who is a member of the Committee on Agriculture and Forestry, will give the question his best consideration when it comes to the committee.

Mr. NEUBERGER. I should like to raise one additional point, and then I shall not transgress further on the time of the Senator. First I should like to thank the Senator from Vermont for contributing this very enlightening and helpful information to the discussion. I confess it was information which I had not had in this detail. I am grateful to him for supplying it to us.

Mr. AIKEN. I am supplied with the information on proposed barter deals because the traders must approach our embassies or consulates in other countries in connection with such deals. The very suggestion of our cutting prices, of course, makes our Canadian neighbors stand on end, as well as the people in other countries.

Mr. NEUBERGER. I can understand that. I shall ask the Senator from Kansas about one crucial agricultural problem which is particularly vexing in the Pacific Northwest. Along the seaboard in Oregon and Washington we have a very fine, cool climate, suitable for the raising of poultry, such as turkeys and chickens. The wheat grown in eastern Oregon and in eastern Washington is the logical feed for that poultry.

However, under the existing situation, the wheat is supported at too high a price for the poultry raisers to buy it as feed for their turkeys and chickens. Is it not true that if the domestic parity or two-price plan were in effect, that particular dilemma might be solved, and the portion of the wheat crop available for feed could then be sold to the poultry raisers at prices which they could afford to pay and still make a profit on their operations?

Mr. CARLSON. One of the complaints we receive from the corn-growing sections and the feed-producing areas of the Nation is that if quantities of those products are grown substantially in excess of the needs for human consumption, they will disrupt or wreck the feed program.

I contend that that is a real fallacy, because if the wheat growers of Kansas were allowed to grow wheat on some of their acres, instead of planting milo and sorghum crops, they would grow from 15 to 25 bushels of wheat an acre, while at the same time, on the same ground, substituting sorghum grains, they would grow from 50 to 75 bushels to the acre, which would increase the feed tonnage.

So I think that the corn growers will see the advantage of such a plan. They are beginning to see it now. It will be the greatest thing which could happen to them. If 12 million acres were planted to wheat to be consumed in that way, the producers themselves would have a great advantage as compared to the present situation.

Mr. NEUBERGER. I thank the Senator from Kansas for his patience toward me this afternoon, and for enlightening me and being so helpful by giving



his views about the domestic parity plan for wheat. If during the 1959 session of Congress the Senator from Kansas decides again to take the leadership in introducing the domestic parity plan, I hope he will afford me the privilege of being one of the cosponsors.

Mr. CARLSON. I have not had a better supporter, nor have the wheat growers had a better supporter, not only in this program, but in farm programs as a whole, than the junior Senator from Oregon [Mr. NEUBERGER]. It has been a pleasure to work with him. He realizes, as I do, that we have a wheat problem. Oregon and Kansas are great wheat-producing States.

I observed last night in the discussion that the distinguished Senator from New Mexico [Mr. ANDERSON], who is a former Secretary of Agriculture, said there is real concern about the wheat problem. I contend that the problem will become more acute next year when the 1959 crop season begins. There will be a greater surplus of wheat than ever. Congress then will have to make a decision and will have to take action.

I shall offer next year, at the beginning of the next session of Congress, the domestic parity plan which has been before Congress twice.

It passed the Senate once by a very substantial vote, as I stated earlier. It is a matter which needs to receive serious consideration. I know it will receive such consideration by the Senate Committee on Agriculture and Forestry. I know that every member of that committee is beginning to realize what a serious problem this is.

I deeply appreciate the help which the junior Senator from Oregon has given in this situation.

Mr. NEUBERGER. I thank the Senator from Kansas. I am pleased that he plans to introduce his bill next year.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. MORSE. I wish to reinforce the position taken by my junior colleague. As the Senator from Kansas knows, I have co-sponsored such bills with him.

Mr. CARLSON. I have placed in the RECORD the number of bills I introduced and the names of the co-sponsors. I included the name of the senior Senator from Oregon on both occasions.

Mr. MORSE. I appreciate that. I simply think it is due the Senator from Kansas to say that the two Senators from Oregon will be in his ranks, come the next session of Congress, to give him all the aid and support we can for the domestic parity for wheat, a plan which I think is very sound.

Mr. CARLSON. I thank the senior Senator from Oregon. It has been a pleasure to work with him. He also knows the problems of the wheatgrowers, as I said of the junior Senator from Oregon [Mr. NEUBERGER]. The two Senators from Oregon come from a State which will benefit greatly by the domestic parity plan. It has been a pleasure to work with them. They have been most helpful.

Mr. President, domestic parity programs have a number of advantages as

compared with existing farm price supports.

First. They increase the freedom of producers.

Second. They reduce Government costs.

Third. They maintain income at current levels.

Fourth. They get the Government out of business and permit the trade commodities to move in commercial channels.

When I first introduced S. 3183 in the 84th Congress to authorize a domestic parity plan for wheat, I did not have available all the facts and figures that we have at the present time.

Everyone familiar with the increased surplus of wheat that will be on hand July 1, 1959, must realize that the wheatgrowers and the Government itself are confronted with a real problem. As this problem mounts, I contend that it is essential that the Congress take another look at the domestic parity program for wheat and even though we are not considering it at the present time in the pending farm legislation, I expect to press for early consideration in the next session of Congress.

I do not propose to offer the domestic parity plan as an amendment to this bill. My reason for not doing so is the fact that I believe we need to approve, without delay, some of the provisions of the bill as reported by the Senate committee. The addition of legislation for wheat would further complicate the problem of securing farm legislation this year, in view of previous actions that have been taken by the House of Representatives.

On February 24, 1956, in the 84th Congress, I introduced a bill providing for a domestic parity plan for wheat. This was Senate bill 3183, which was cosponsored by Mr. MORSE, Mr. MAGNUSON, Mr. CASE of South Dakota, Mr. CURTIS, Mr. JACKSON, Mr. NEUBERGER, and Mr. McNAMARA.

The domestic parity plan for wheat, which was authorized in S. 3183 and S. 774 was a plan whereby wheat producers are assured of getting a return for wheat used for domestic food which is in line with other United States prices and costs while allowing all wheat produced to be sold competitively both in domestic and foreign markets.

As compared with a continuation of the present program, it would maintain or increase wheat producers' incomes while reducing Government expenditures to negligible amounts. It also will permit eventual removal of acreage allotments, eliminate export subsidies, take the Government out of the wheat-export business, and permit all wheat to move through private trade channels. I know of no other proposal which would accomplish all of these results.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I made on the proposed legislation on August 8, 1957, when it was introduced in the Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### THE COMMODITY APPROACH TO THE SOLUTION OF THE FARM PROBLEM

Mr. CARLSON. Mr. President, I call the attention of the Senate to a problem which merits more attention than it has received this session, namely, the farm problem. I am happy to note that substantial progress has been made in the past 18 months in reducing our surpluses. Commodity Credit Corporation loans on farm crops and inventories have been reduced from the peak level of \$8.9 billion in February 1956 to \$7.6 billion in May 1957.

I am happy to note also that with the help of the acreage reserve features of the Soil Bank, crop production in 1957 may be held 5 percent lower than in 1956. With the help of this program in 1958 and continued aggressive use of domestic and foreign disposal authorities, surpluses should be further reduced in the months ahead.

The most encouraging aspect of the farm situation, however, is the increase in net farm income achieved in 1956 and the prospect for more improvement in 1957. After 4 years of continuing decline this improvement in net farm income, although small, is most encouraging.

If this improvement in farm income and the surplus situation were the result of the application of long-run remedies I would not be addressing you on this subject today. You realize as well as I do that the improvement I have just described is primarily the result of temporary legislation enacted by this Congress. Temporary legislation—Public Law 480—authorizing disposal of surpluses abroad in addition to commercial marketings and the acreage reserve feature of the Soil Bank, which is limited to 3 years, have contributed greatly to the improvements noted.

We are finding, however, that these temporary programs are too costly. We cannot continue them indefinitely. We must find a less costly, equitable long-run solution to the price and income problems faced by our agricultural producers. And we must find it promptly.

#### DOMESTIC PARITY PROGRAM FOR WHEAT

In my opinion wheat producers have found an equitable long-run solution for their problem. And I am told a number of other commodity groups are well along toward agreement on similar long-run solutions for their problems.

The purpose of this speech is to call attention again to the advantages of the domestic parity plan for wheat, as authorized in S. 774, which I introduced at this session of Congress, for myself and on behalf of Mr. NEUBERGER, Mr. MORSE, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. BARRETT, Mr. MAGNUSON, Mr. JACKSON, Mr. YOUNG, Mr. CURTIS, Mr. HUMPHREY, and Mr. LANGER. It has many advantages over other long-run solutions which have been suggested.

Also, I want to indicate in a general way the approaches other commodity groups are taking and urge that every Member of this body give these various proposals serious study in the coming weeks. We should pass constructive permanent legislation early in the next session of Congress.

#### DOMESTIC PARITY AND OTHER PLANS COMPARED

Each year since prices dropped following the Korean war exports of wheat have been subsidized. Each year our current wheat program is continued, Government costs in the form of export subsidies and storage charges total \$225 million to \$300 million or more. In spite of heavy participation in the acreage-reserve program and allotments at the minimum level of 55 million acres, sufficient wheat is being produced in 1957 to meet domestic requirements and fill almost all export outlets.

The July 1, 1957, carryover of wheat was about 900 million bushels, down 130 million



busheis from a year earlier. Little further reduction is expected in the year ahead.

With payments under the acreage-reserve program limited to \$3,000 per farm, a number of changes in administrative regulations and better crop-production prospects at seeding time, wheat producers' participation in the acreage-reserve program in 1958 is expected to be less than in 1957.

In view of these developments, continuation of the current wheat program with price supports at 75 percent of parity and allotments at 55 million acres is no long-run solution either for the Government or for wheat producers.

Surpluses are not likely to be reduced further. They may even increase again. No increase in allotments would be justified. Wheat will continue to move into Government hands rather than into use through private-trade channels. Government subsidy of exports must be continued with total costs including storage and handling charges in the neighborhood of \$300 million a year.

In recent weeks much has been said about reducing price supports generally to levels which would encourage all current production to move into use through private-marketing channels. It has been suggested that the Secretary of Agriculture be given authority to set price supports at any level from 0 to 90 percent of parity.

Few people realize what this might mean to wheat producers. Although we could not produce enough wheat to meet urgent world needs in the years immediately after the war, wheat is now in a world surplus situation. Stocks in Canada are at record levels. World wheat prices would have fallen to even lower levels in recent years except for the sales policies of United States and Canada.

There is little doubt that if wheat price supports, under the zero to 90 percent authorization, were lowered to a level that would allow wheat to move into world markets without Government subsidy, wheat prices would fall to domestic feed grain price levels. In its recent report to the Senate, entitled "Possible Methods of Improving the Feed-Grain Program," the Department of Agriculture stated that with feed grain price supports "at 70 percent of parity some stocks might build up, but at 60 percent the tendency to acquire Government stocks would be slowed considerably or, over a period of time, eliminated."

I take this to mean, Mr. President, that, on the basis of current information, the Department of Agriculture believes price supports on feed grains will have to be lowered to about 60 percent of parity, to permit a reduction in carryover stocks to desirable levels and to prevent further accumulations. With feed grain price supports at or near 60 percent of parity, wheat price supports would have to be in the neighborhood of 50 percent of parity, to eliminate the need for Government export subsidies and the danger of further accumulation of surpluses.

In my opinion this would result in a more drastic reduction in farm income than our wheat producers, who contributed so magnificently to meeting the food needs of the world in the early postwar years, should be asked to absorb. The farm value of the wheat crop reached a peak value of \$3.1 billion in 1947. In each of the last few years the farm value of the wheat crop has been about \$2 billion. If the price-support level is reduced to 50 percent of parity, without an increase in acreage allotments, the farm value of the wheat crop would drop to \$1.1 or \$1.2 billion. This is only a little over one-third the 1947 level, or one-half the level of recent years.

Those who favor this extreme solution to the wheat problem advocate an increase in acreage allotments as price supports are lowered. This would permit farmers with few alternatives to increase their output of

wheat as prices fall. Farmers with other good alternatives would shift from the production of wheat to feed grains and forage crops. I recognize that these adjustments would soften the blow of 50 percent of parity price supports, but I believe too many family farmers would face financial ruin if such a drastic drop in wheat price supports were permitted. It is because these alternatives are so unfavorable that I urge the adoption of the domestic parity plan for wheat at the earliest possible opportunity.

#### ESSENTIALS OF DOMESTIC PARITY PLAN

The domestic parity plan requires a minimum of Government administration and expenditures and a maximum of freedom for producers, together with the maintenance of producers' incomes at reasonable levels. The adoption of a domestic parity plan for wheat would merely be one more forward step in the direction taken when the Sugar Act was approved in the 1930's and when the special wool price-support program was adopted in 1954.

The domestic parity plan for wheat closely resembles the successful Sugar Act. Each producer would be given a domestic allotment in bushels in a manner similar to the establishment of acreage allotments at the present time. He would then be given marketing certificates equal to the bushels in his domestic allotment. The Secretary of Agriculture would determine the value of these certificates on the basis of his estimate of the difference between the expected average market price of wheat and the domestic price-support level.

Purchasers of wheat for domestic food uses would be required to buy these certificates in amounts equal to their purchases of wheat at the price set by the Secretary. These funds would be utilized to pay producers the announced value of the certificates, in addition to the market price received for wheat.

A low-level loan program would be continued to prevent wheat supplies from unduly depressing feed-grain or world wheat prices. Acreage allotments would be continued on wheat as long as acreage allotments are continued on corn or other feed grains. If current proposals for lowering feed-grain price supports and dropping acreage allotments, however, are adopted, there appears to be little reason for continuing wheat acreage allotments.

Even though wheat prices fell to 50 percent of parity if the wheat used for domestic food were supported at full parity, wheat producers would continue to receive as much income as under the current program with supports at 75 percent of parity. Obviously, a program which supports wheat farmers' income at current levels, yet reduces Government costs, and removes acreage allotments, has much to commend it.

#### OBJECTIONS TO DOMESTIC PARITY PLAN

Most of the objections to the domestic parity plan for wheat come under three general headings. I want to explain why I believe these objections are based on unfounded fears.

Fear No. 1: Midwest feed grain and livestock producers fear that wheat will be used for feed to such an extent under the domestic parity plan that feed grain and livestock prices will be seriously depressed. Actually, feed-grain production in 1955-56 averaged 130 million tons. About 12 million tons of these feed grains were used for seed, human food, and industry. About 132 millions tons of concentrates, including protein meals, and by-product feeds, as well as feed grains, were fed to animals each year. If as much as 200 million bushels of wheat were added to this feed supply under a domestic parity plan for wheat, total feed grain supplies would be increased only 4.5 percent. The Department of Agriculture report entitled "Possible Methods of Improving the Feed-Grain Pro-

gram" which I mentioned earlier, reports that a 4 percent increase in feed-grain consumption would increase livestock output 1.5 percent, would lower livestock prices around 2.5 percent, and would lower income from livestock sales about 1 percent.

But it is doubtful that feed-grain supplies would be increased by as much as this under a domestic parity program. In the 17 Western States, where about 69 percent of the wheat is grown, cropland on the average produces more hundredweight of feed per acre if barley, oats, grain sorghums, and corn are grown, instead of wheat. In 1955-56, the average production in 17 Western States was 10.5 hundredweight per acre of wheat and 11.5 hundredweight per acre of feed grains. I am attaching a statement which shows these figures.

On the basis of these data I am convinced that feed-grain and livestock producers will not be affected adversely by a domestic parity wheat plan as compared with the continued production of feed grains on the acres diverted from wheat allotments. Also, since the price support is limited to the wheat going into domestic food uses, there is no incentive to increase wheat production.

Fear No. 2: Some people fear that a domestic parity program for wheat will increase the cost of bread. It has even been suggested that it would increase the cost of bread 1 cent a loaf. This simply is not true. Few people realize that the farm value of the wheat in a loaf of bread costing 18 cents today is only 2.5 cents. In the past 10 years, the price of a loaf of bread increased from 13 to 18 cents, at the same time that the average price of wheat declined from \$2.29 to \$1.97 a bushel.

If the support level on wheat going into food use is maintained at full parity, the cost of wheat at market price, plus the cost of the certificates, would increase the millers' cost of average-quality wheat by a small amount. However, any cost increase would be less than half a cent a loaf. Actually, the millers' cost of wheat used in standard high-grade flour would be increased very little.

At the present time acreage allotments restrict the production of both the less desirable and the more desirable types of wheat. No. 1, hard red northern wheat with a high protein content regularly sells for a substantial premium above the market average. This type of wheat will be produced in increased quantities and premiums will be smaller when acreage allotments are increased or removed. Hence, millers who use the best grades of wheat may find their wheat costs affected very little under a domestic parity plan.

Surely consumers will not object to assuring farmers a fair price for the wheat used in the bakery products they consume.

Fear No. 3: Some people fear that a domestic parity plan will be considered a form of export dumping by our foreign friends. We who believe that a domestic parity plan for wheat should be adopted as soon as possible almost lose patience with those who object to it, fearing that other countries may consider it a means of dumping export surpluses.

For several years now we have been subsidizing wheat exports. As long as the present program continues we are forced to continue these export subsidies. A domestic parity plan where price support is limited to wheat going into domestic food use in no way stimulates increased production for the foreign market.

It allows private marketing agencies to determine the amount of wheat exported and the price of each individual sale. It returns the export of wheat to the private trade. In addition, most discussions of this plan propose that a low level loan program be continued to prevent market supplies from unduly depressing world prices. Also, the



suggestion has been made that United States and Canada follow a common policy which would stabilize supplies and prices in export markets until current excessive stocks are reduced to normal trade levels.

Surely those familiar with our wheat price support and export policies in recent years, and with the other alternatives that have been proposed, must find the domestic parity proposal, as it affects our friends in foreign countries, less objectionable than the alternatives.

#### MAJOR PROVISIONS OF OTHER COMMODITY PLANS

Let me turn now to a very brief and a very general review of proposals which are being developed by other commodity groups to replace the existing price support programs in their fields. Rice producers have endorsed a domestic parity plan for rice similar in many respects to the wheat plan. The Agricultural Act of 1956, under title 5, authorizes the Secretary of Agriculture to initiate a domestic parity program for rice for the 1958 crop. Under this title, if the Secretary determines and proclaims that the initiation of a domestic parity program for rice is administratively feasible and in the best interests of rice producers and the United States, he may proceed to substitute it for the existing price support and marketing quota program.

I am told dairymen are making real progress in developing a self-help plan for stabilizing prices of milk used for manufacturing as well as for fluid use. Our present dairy price support program is costing the Government about \$300 million a year. It is probable the support level will be lowered next year as a part of a general plan of reducing Government costs for farm programs. This will mean lower prices and incomes to dairymen.

One version of a self-help dairy program which is getting serious study at the present time includes a base-surplus feature. Producers would be assured prices at 85 or 90 percent of parity for all milk within the quota and a much lower price for all milk in excess of the quota or base. A small stabilization fee of 10 cents per 100 pounds on all quota milk would be used to finance losses on diversion programs required to dispose of surplus dairy products outside commercial market channels. The surplus dairy products would be disposed of through the same channels as now used, school lunches, public institutions, and noncommercial exports.

Dairymen are developing this self-help program in an effort to stabilize prices and incomes at present levels or higher, yet with much less cost to the Government than the present program. I applaud the dairymen in their efforts to develop a program that will be largely self-supporting.

Cotton producers are facing a number of difficult problems in their efforts to develop a satisfactory program for cotton. The use of synthetic fibers has been increasing both at home and abroad, encouraged by the relatively high price support levels for cotton. In addition, cotton production has been increasing in foreign countries under the price umbrella of our domestic cotton price-support program.

Cotton producers are hard at work trying to develop a program which will price cotton competitively, permit increased acreage allotments, and maintain or increase producers' incomes. This is a big order, but I am confident that they will be able to develop a feasible domestic parity program for cotton.

Producers of many other commodities are having economic difficulties, and are at work on plans to meet their special production and marketing problems.

The circumstances surrounding the production and marketing of feed grains and meat animals make it unlikely that a feasible domestic parity program can be developed

for them. Although these products account for 60 percent of farmers' marketings, exports are so small that a domestic parity plan for these products would not be effective.

Because of this and because of the tendency of wheat, cotton, and dairy producers to turn to the production of feed grains, forages, and meat animals, livestock producers fear that they will be forced to bear the brunt of the adjustment in agriculture without benefit of a price stabilization program. Actually, much of this adjustment has already occurred. One of the major reasons for the record carryover of feed grains at the present time is the increased feed production on 25 to 30 million acres of cropland taken out of wheat and cotton production.

Domestic parity programs for wheat and cotton will not create additional difficulties for livestock producers. These domestic parity programs will permit increased acreages of wheat and cotton as compared with existing allotments, although the feeding of wheat may be increased somewhat. However, meat-animal producers are faced with difficult economic problems in expanding livestock sufficiently to reduce existing stocks of feed grains to normal levels and to prevent excessive accumulations in the future.

In recent years, in periods when market prices were severely depressed, Government purchases of beef and pork prevented even further declines in live animal prices. These Government purchases were mostly diverted to the school-lunch program and to special export programs. In my opinion, programs of this type offer much promise for the feed grain and meat-animal producers in the future.

Although Public Law 480, providing for the sale of surplus agricultural products for local-foreign currencies is scheduled to expire next year we may want to extend it on a limited basis. It may be an effective part of a feed grain and meat animal price stabilization plan.

Marketing agreements have proved their worth in dealing with the problems encountered by the producers of perishable products. A number of groups of producers not now utilizing marketing agreements are in the process of developing plans for their use. I believe an expansion of marketing agreements is the best way to meet many of the marketing problems encountered by producers of perishable products.

#### SUMMARY

In closing, I want to restate my reasons for believing we should enact new farm legislation as promptly as possible, using the commodity approach.

We cannot continue, in my opinion, existing temporary programs indefinitely. They are too costly and they are not correcting the fundamental difficulties. I believe we can develop feasible domestic parity programs for the major export crops and a self-help program for dairy. Increased use of marketing agreements for perishable fruits and vegetables and increased use of foreign sales under Public Law 480, if necessary, to permit surplus removal purchases of beef and pork would make commodity programs available to most agricultural producers.

With programs of this type incomes of each of the commodity groups can be maintained or increased modestly. Government costs can be reduced to a small fraction of current levels. Acreage allotments can be eliminated eventually, and farm products can move to market through private trade channels.

Commodity programs of this type, supplemented with our relatively new conservation reserve and rural development programs, in my opinion, offer far more promise than other alternatives.

Mr. President, I ask unanimous consent that a statistical statement showing wheat

and feed grain production per acre in 17 Western States, demonstrating some of the yields, production per acre, and increases, be printed as a part of my remarks at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATISTICAL ATTACHMENT

Wheat and feed-grain production per acre in 17 Western States  
[1955-56]<sup>1</sup>

|                      | Production per acre (hundred-weight) |
|----------------------|--------------------------------------|
| Wheat.....           | 10.5                                 |
| All feed grains..... | 11.5                                 |
| Corn.....            | 12.9                                 |
| Oats.....            | 7.9                                  |
| Barley.....          | 13.3                                 |
| Grain sorghums.....  | 11.1                                 |

Reduction in wheat production and increase in feed-grain production in selected States<sup>1</sup>  
[1947-48 to 1955-56]

| State           | Reduction in wheat (1,000 hundredweight) | Increase in feed grain (1,000 hundredweight) |
|-----------------|------------------------------------------|----------------------------------------------|
| Washington..... | 170, 160                                 | 186, 695                                     |
| Oregon.....     | 24, 378                                  | 99, 754                                      |
| California..... | 32, 562                                  | 430, 291                                     |
| Texas.....      | 855, 960                                 | 608, 450                                     |

<sup>1</sup> The 17 Western States are: North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Montana, Wyoming, Colorado, New Mexico, Idaho, Utah, Arizona, Washington, Oregon, California, and Nevada.

Source: U. S. Department of Agriculture.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CARROLL in the chair). Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I call up my amendment which is identified as "7-10-58-H," and ask that it be printed at this point in the RECORD, instead of being read at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment submitted by Mr. PROXMIRE is as follows:

Add the following new title to the bill:

"TITLE IV—DAIRY STABILIZATION ACT OF 1958  
"SEC. 401. This act may be cited as the 'Dairy Stabilization Act of 1958.'

#### "Legislative findings

"SEC. 402. Milk and dairy products are an important source of the Nation's total supply of food for domestic consumption and for export. They are marketed on nationwide markets, and substantial quantities thereof, in both raw and processed form, move in interstate and foreign commerce. Recurring seasonal and periodic surpluses and shortages, impaired purchasing power and financial instability of milk producers, unnecessarily high prices to consumers for essential foods, disorderly marketing practices, economic strife, and congestion in storage, transportation, processing, and other han-



dling facilities adversely affect farm credit, disorganize and disrupt the agricultural and general economy of the United States, impinge on the public welfare, impair the national security, and burden interstate and foreign commerce. The production and marketing of milk and dairy products is affected with a public interest, directly affects the welfare and security of the Nation, and is attended with substantial and far reaching consequences to interstate and foreign commerce. All marketing of milk and dairy products is either in the current of interstate or foreign commerce or directly affects such commerce. That part which enters directly into the current of interstate or foreign commerce cannot be effectively regulated without regulating also that part which is marketed within the State of production. The intrastate production and marketing of milk and dairy products is in competition with the production and marketing of milk and dairy products for interstate and foreign commerce.

#### *"Declaration of policy"*

"SEC. 403. It is hereby declared to be the policy of the Congress (a) to provide an adequate, balanced, and orderly flow of milk and dairy products in interstate and foreign commerce; (b) to promote the effective merchandising of milk and dairy products in interstate and foreign commerce; (c) to develop an improved, orderly, and stabilized market for milk and dairy products which are marketed in interstate or foreign commerce, or so as to affect such commerce; (d) to protect the security and welfare of the Nation by maintaining adequate domestic production and supplies of milk and dairy products and by keeping the national agricultural resources permanently productive and reasonably adjusted to current demand; (e) to stabilize the prices of milk and dairy products at levels which will assure adequate supplies of milk and dairy products and provide a fair return to the producers of milk and butterfat commensurate with the cost of production, taking into consideration the investment and risk involved, and the labor of the producer and his family; (f) to protect the interest of consumers by maintaining a stabilized, continuous, and adequate supply of milk and dairy products at fair prices; and (g) to provide a self-financing system of price stabilization and production adjustment for milk and dairy products.

#### *"General definitions"*

"SEC. 404. For the purposes of this act—

"(a) The terms 'interstate commerce' and 'foreign commerce' include the movement of milk and dairy products in commerce between any State or the District of Columbia and any place outside thereof, or within the District of Columbia, or between any Territory or possession which is included within the operation of this act by the action of the Board and any place outside thereof, or within any such Territory or possession.

"(b) The term 'affect interstate or foreign commerce' means, among other things, to burden, obstruct, impede, or otherwise affect interstate or foreign commerce, the free and orderly flow thereof, or the production, storing, processing, marketing, or transportation of milk and dairy products for or in such commerce or after transportation therein.

"(c) 'United States' means the several States, the District of Columbia, and any Territory or possession of the United States which the Board determines should be included in the operation of this act. The term 'States' includes any State, the District of Columbia, and any Territory or possession which the Board includes within the term 'United States.' The provisions of this act shall apply to the United States as herein defined, except that the powers and authority of the Board may be exercised in other areas and in foreign countries in connection

with the sale or other disposal of milk, butterfat, and dairy products.

"(d) 'Secretary' means the Secretary of Agriculture, 'Department' means the United States Department of Agriculture, 'Board' means the Federal Dairy Stabilization Board, and 'Advisory Committee' means the Federal Dairy Advisory Committee.

"(e) 'Person' means an individual, partnership, corporation, association, trust, estate, or any other business entity.

"(f) The terms 'milk', 'butterfat', and 'dairy products' mean milk and butterfat and the products of milk and butterfat, respectively, including any classification, type, or grade thereof; together with such combinations and byproducts thereof, and such products manufactured wholly or in part thereof, as may be designated by the Board.

"(g) 'Marketing year' means the 12-month period beginning April 1 of each year.

"(h) 'Estimated supply' for any marketing year shall be (1) the estimated carryover at the beginning of such marketing year; plus (2) estimated production for market in the United States during such marketing year, less the estimated surplus to be acquired by or charged to the Commodity Credit Corporation during such marketing year as a result of diverted acres; plus (3) estimated imports into the United States during such marketing year, less the estimated surplus to be acquired by or charged to the Commodity Credit Corporation during such marketing year as a result of imports. Estimates for marketing years may be based on statistics or estimates for calendar years, or, in the discretion of the Board, calendar year estimates may be used in place of marketing year estimates.

"(i) 'Carryover' shall not include the estimated surplus milk or dairy products owned or controlled by or charged to the Commodity Credit Corporation, or to be acquired by or charged to it, under this act before the beginning of the marketing year for which 'carryover' is to be estimated.

"(j) 'Estimated demand' for any marketing year shall be (1) the estimated consumption in the United States during such marketing year; plus (2) estimated exports during such marketing year; plus (3) an allowance for carryover. In determining estimated demand, estimated disposals of surplus milk or dairy products by Commodity Credit Corporation, or by the Board outside of the ordinary channels of domestic or foreign trade, shall be excluded.

"(k) The 'allowance for carryover' shall be determined by the Board. In making this determination, consideration shall be given to the need for maintaining an adequate, dependable, and continuous supply of milk and dairy products. The Board shall take into consideration any abnormal conditions present or likely to prevail, contingencies related to national security and world supplies, and trends in the production, marketing, and utilization of milk and dairy products.

"(l) 'Milk producer' means any person engaged in the production of milk or butterfat for market. A milk producer to be eligible to serve as a member of the Board, or to vote for nominees for appointment to the Board must be engaged in the production and marketing of milk or butterfat in commercial quantities.

"(m) 'Commodity Credit Corporation' shall include the Commodity Credit Corporation as now or hereafter constituted and any successor or other Federal agency authorized to perform similar services.

#### *"Federal Dairy Stabilization Board"*

"SEC. 405. There is created in the Department as an independent agency and instrumentality of the United States a Federal Dairy Stabilization Board consisting of 15 members to be appointed by the President

after receiving nominations from milk producers as hereinafter provided. Only persons who are milk producers, or who are officers of dairy cooperative associations which meet the requirements of the Capper-Volstead Act (7 U. S. C. 291-292), or who are officers of federations or marketing agencies in common owned and controlled by such cooperatives, shall be eligible to serve on the Board. Not less than 11 of the 15 members of the Board shall be milk producers. The temporary impairment of this ratio by the death, resignation, disqualification, or removal of producer members, or for other causes, shall not affect the authority of the Board to act.

"SEC. 406. In order to secure appropriate regional representation on the Board, the United States shall be divided into 15 Federal dairy districts to be designated by the Secretary. In designating such districts, the Secretary shall give consideration to (1) complete geographical representation of the United States and (2) the importance of dairying in each district.

"SEC. 407. Each Federal dairy district shall be assigned one place on the Board. The milk producers in each district shall by ballot select three nominees for the place on the Board assigned to their district. Each milk producer shall be entitled to submit one name for nominee for the place on the Board to be filled from his district. The three candidates receiving the highest number of votes for nominee for each respective place on the Board shall be nominees for appointment to such place. The Secretary shall conduct all elections for the selection of such nominees, prescribe such rules and regulations as he may consider necessary in the administration of the duties assigned to him under this act, determine all questions involving the qualifications of such nominees, members of the Board, or milk producers, resolve all tie votes for such nominees, and certify such nominees to the President. The decision of the Secretary in all such matters shall be final. The three nominees so selected for each place on the Board shall be received and considered by the President in making appointments to the respective places on the Board for which such nominees were selected. In making appointments to the Board, the President shall give due consideration to securing an equitable representation of the various forms in which milk and its products are sold.

"SEC. 408. The first appointments to the Board shall be equally divided between 2-, 4-, and 6-year terms, respectively, as designated by the President; and thereafter each member shall be appointed for a term of 6 years. Terms of Board members shall be based on calendar years and shall expire on the 31st day of December of the last calendar year of the appointment. Each member shall hold office for the term of his appointment and until his successor shall have been appointed and shall have taken office. Board members may be removed for cause or ineligibility by the President. Vacancies on the Board may be filled for the unexpired terms by appointment by the President, taking into consideration the nominees from which the original appointment was made, or, in the discretion of the President, in the manner herein prescribed for the appointment of members for a regular term. Vacancies on the Board shall not impair the power of the remaining members to exercise all the powers of the Board, except that in no event shall the Board be empowered to act unless eight or more places on the Board are filled. Each member of the Board, other than the Secretary or the Secretary's representative, shall receive a per diem of \$50 for each day's attendance at meetings of the Board and while traveling to and from said meetings, but not to exceed a total of \$2,500 in any 1 year, together with actual, neces-



sary travel, subsistence, and other expenses incurred in the discharge of his official duties without regard to other laws with respect to allowances which may be made on account of travel and subsistence expenses of officers and employed personnel of the United States. The Secretary, or an official of the Department designated by him, shall be an ex officio member of the Board. He shall meet and confer with the Board but shall not be entitled to vote.

"SEC. 409. The Board shall meet annually on the second Monday in January and at other times upon call of the Chairman. In addition, special meetings of the Board may be called at any time by a majority of the members of the Board in office, or by the Secretary. The Board shall meet at least once in each calendar quarter of each year.

"SEC. 410. The Chairman of the Board shall be selected by the Board. He shall hold office for a term of 2 calendar years and until his successor shall have been selected and shall have taken office. Vacancies in the office of the Chairman of the Board shall be filled for the unexpired term by the Board.

"SEC. 411. A majority of the members of the Board in office shall constitute a quorum, and action may be taken by a majority vote of those present at any regular or special meeting at which a quorum is present. The findings and determinations of the Board made under the authority of this act shall be final and conclusive. The Board may adopt, alter, and use an official seal which shall be judicially noticed. It may adopt rules and regulations governing the manner in which its business may be conducted and its powers may be exercised.

"SEC. 412. The Board may sue and be sued in the same manner, in the same courts, and to the same extent that the Commodity Credit Corporation may sue and be sued; and the laws, rules, and decisions applicable to suits by or against that Corporation shall be applicable to suits by or against the Board. The Board shall be entitled to the use of the United States mails in the same manner and upon the same conditions as the Commodity Credit Corporation.

"SEC. 413. The Board may select an executive committee of five from among its members and delegate to it any power or authority of the Board, except the power to set price stabilization levels, the amount of the marketing assessment herein provided for, or the total quantity of milk and butterfat which may be marketed under marketing certificates. Not less than 3 of the 5 members of the executive committee shall be milk producers. The temporary impairment of this ratio by the death, resignation, disqualification, or removal of producer members, or for other causes, shall not affect the authority of the committee to act. Members of the executive committee shall be paid their actual, necessary travel, subsistence, and other expenses incurred in the discharge of their official duties, without regard to other laws with respect to allowances which may be made on account of travel and subsistence expenses of officers and employed personnel of the United States and, in addition to their compensation as members of the Board, may be paid a per diem in such amounts and for such days as the Board may prescribe. Vacancies on the executive committee may be filled by the Board. Vacancies on the committee shall not impair the power of the remaining members to exercise all the powers of the committee provided a quorum remains. Three members of the committee shall constitute a quorum. The Chairman of the Board shall be a member of the executive committee and its chairman. Meetings of the executive committee may be called by the chairman, a majority of the members of the committee in office, or by the Secretary. The Secretary, or an official of the Department designated by him, shall be an ex officio member of the executive committee.

He shall meet and confer with the executive committee but shall not be entitled to vote or to receive expenses or per diem.

"SEC. 414. The Board may enter into and carry out such contracts or agreements as are necessary or desirable in the conduct of its business. State and local laws or rules shall not be applicable with respect to contracts or agreements of the Board, or the parties thereto, to the extent that such contracts or agreements provide that such laws or rules shall not be applicable.

"SEC. 415. The Board may, either directly or through such corporations, stabilization corporations, brokers, agents, or persons as it may designate, acquire, hold, store, warehouse, manufacture, process, service, package, advertise, sell and transport, or otherwise acquire, handle or dispose of, milk and dairy products in raw or processed form, or in the form of warehouse receipts, or contracts to buy or sell, and may contract for plants, facilities, and services needed to accomplish such purposes.

"SEC. 416. The Board shall have the power to acquire, hold, improve, repair, modify, encumber, lease, use, and dispose of real or personal property, or any right or interest therein, which may be necessary or appropriate to the conduct of its business.

"SEC. 417. The Board may borrow money and pledge as security any assets which it may have, including dairy products. It shall be entitled to borrow from the Commodity Credit Corporation, and the Commodity Credit Corporation is authorized and directed to loan to it, without security, such amounts as the Board may deem necessary to carry out effectively the purposes of this act: *Provided, however*, That the total amount of all money borrowed from the Commodity Credit Corporation and outstanding at any one time shall not exceed in the aggregate the sum of \$350,000,000. The Board may borrow money from any other source of credit available to it upon the security of the dairy products acquired by it or on the security of other assets or by unsecured loans and may issue notes, bonds, and other obligations. Other than the authority to borrow from the Commodity Credit Corporation, the Board shall have no authority to obligate the United States, and none of its notes, bonds, or other obligations shall be guaranteed by or collectible from the United States. Judgments and other claims against the Board shall be enforced only against the assets of the Board in the same manner as if it were a corporation, and no liability for the debts or actions of the Board shall exist against either the United States or any member, officer, employee, or agent of the Board in his individual capacity.

"SEC. 418. The Board shall determine the character of and the necessity for its obligations and expenditures and the manner in which they shall be incurred, allowed, and paid. It may make final and conclusive settlement and adjustment of any claims by or against the Board or of the accounts of its officers, employees, agents, and contractors.

"SEC. 419. The Board may make such loans and advances of its funds as are necessary in the conduct of its business.

"SEC. 420. The Board shall have such other powers as may be necessary or appropriate for the exercise of the powers vested in it and the effective performance of the duties imposed on it by this act.

"SEC. 421. The Board shall pay interest to the Commodity Credit Corporation on all money owed to that Corporation at such rates as may be determined by the Secretary of the Treasury to represent the cost of money to the Government, taking into consideration the terms for which such amounts are loaned to the Board.

"SEC. 422. The Board is authorized to use in its business all funds or other assets in

its possession, including net earnings and borrowed money.

"SEC. 423. The Board may appoint such committees and officers and employ such personnel as it may deem necessary for the conduct of its business, fix the amount of and pay their compensation, define their authority and duties, and delegate to them, or to such corporations, stabilization corporations, brokers, agents, or persons with whom it may contract, such of the powers vested in the Board as it may determine, except the power to determine price stabilization levels, the amount of the marketing assessment herein provided for or the total quantity of milk and butterfat which may be marketed under marketing certificates. All such committees, officers, and employees, including the executive committee, shall be subject to the general supervision and control of the Board. The Board may require and pay for bonds for employees, officers, agents, or contractors. None of the officers, members, or employees of the Board shall be subject to the Federal laws and regulations relating to the employment, compensation, classification, discharge, or leave, travel and subsistence allowances of Government employees, except such regulations relating thereto as may be prescribed by the Board. Subsequent amendments of such laws or regulations shall not affect this exemption, unless such amendments shall specifically so provide.

"SEC. 424. The Board may, with the consent of the agency concerned, accept and utilize, on a compensated or uncompensated basis, the officers, employees, services, facilities, and information of any agency of the United States or of any State or of any political subdivision of any of the foregoing.

"SEC. 425. The Board may, in the conduct of its business, utilize on a contract or fee basis any corporation, stabilization corporation, association, agency, person, commodity exchange, broker, or trade facility.

"SEC. 426. The Board shall at all times maintain complete and accurate minutes and books of account. It shall file annually with the Secretary a complete report of the business of the Board, a copy of which shall be submitted to Congress. The financial transactions of the Board shall be audited annually by a certified public accountant, or firm thereof, in accordance with generally accepted principles, and procedures applicable to commercial corporate transactions. Copies of the audit report shall be submitted to the Secretary and to Congress.

#### *"Federal Dairy Advisory Committee*

"SEC. 427. The Secretary is authorized and directed to appoint a Federal Dairy Advisory Committee of 12 members which shall confer with and advise the Board concerning the dairy stabilization programs herein authorized.

"SEC. 428. In making appointments to the Advisory Committee the Secretary shall give equitable recognition to representation of (1) manufacturers, handlers, and distributors of milk and dairy products; (2) consumers; (3) other agricultural commodities or programs that may be affected by the operation of the dairy stabilization program; and (4) other interests which the Secretary determines are directly concerned with the operation of this act.

"SEC. 429. Membership on the Advisory Committee shall be for a term of 3 calendar years, expiring on December 31 of the last year of the term. Each member shall hold office for the term of his appointment and until his successor shall have been appointed and shall have taken office. Members of the Advisory Committee may be removed by the Secretary with or without cause. Vacancies may be filled by the Secretary for unexpired terms. Vacancies on the Advisory Committee shall not affect the authority of the remaining members to meet and perform the functions of the Committee. Original ap-



pointments shall be equally divided between 1-, 2-, and 3-year terms, as designated by the Secretary. The Secretary, or an official of the Department designated by him, shall be an ex officio member of the Advisory Committee. He shall meet and confer with the Committee but shall not be entitled to vote.

"Sec. 430. The Advisory Committee shall meet annually on the second Monday in January and at other times upon call of the Chairman of the Board.

"Sec. 431. The Chairman of the Advisory Committee shall be selected annually by the Committee.

"Sec. 432. A majority of the members of the Committee in office shall constitute a quorum, and resolutions and recommendations may be adopted by a majority vote of those present at any meeting at which a quorum is present.

"Sec. 433. Members of the Advisory Committee, other than the Secretary or the Secretary's representative, shall be compensated and reimbursed for travel, subsistence, and other expenses from the funds of the Board for attendance at meetings of the Advisory Committee at the same rates and in the same manner that members of the Board are compensated and reimbursed for attendance at meetings of the Board.

#### "Price stabilization

"Sec. 434. The Board is authorized and directed to stabilize prices of milk and butterfat to producers. Except as otherwise provided in this act, the amounts, terms, types, and conditions of the stabilization operations of the Board, and the extent to which such operations are carried out, shall be determined by the Board.

"Sec. 435. Stabilized prices to producers for milk and butterfat shall be provided by the Board at levels to be established and announced annually by the Board. In determining stabilization price levels, the amount of the marketing assessment, and the prices at which various dairy products will be bought or sold, in any marketing year, the Board shall take into consideration (1) the declared policy of this act, (2) the nutritional value of milk and dairy products and the importance of such essential foods to the health and general welfare of the Nation and to the national defense, (3) the estimated supply of milk and dairy products for such marketing year, (4) the estimated demand for milk and dairy products for such marketing year, (5) the price support level for feed crops which affect the cost of milk production, (6) the estimated costs of producing, processing, and marketing milk and dairy products, (7) the relationship which the price of milk and dairy products bear to prices for other foods and to hourly returns for labor, (8) the hourly returns for the labor of dairy farmers and their families, (9) estimated returns to farmers from alternative crops and commodities, (10) the general economic condition of dairy farmers and the effect of such condition upon the economy of rural communities and of the Nation as a whole, (11) the need for maintaining a reasonable relationship between the prices that farmers receive and the cost of the things that farmers buy, and (12) other economic conditions which affect the market for milk and dairy products. In making such determinations, the Board may hold such public hearings, with notice, and utilize such studies as it considers necessary to effectuate the purposes of this act. The stabilization levels shall be established as of the beginning of the marketing year and shall be on an annual basis. They shall be announced as far in advance of the marketing year as is practicable. The stabilization levels so announced by the Board shall not thereafter be varied before the close of the marketing year for which they are applicable, except that in emergency cases, after a public hearing, with notice, the Board may redetermine

the stabilization levels if it finds that conditions have materially changed since the announcement was made. A reasonable time, taking into consideration the character of the emergency, shall be allowed by the Board before any redetermined stabilization levels are made effective. The Board's finding and the record of the hearing shall be available to the public.

"Sec. 436. Appropriate adjustments and variations may be made by the Board in the stabilization prices for different products and for differences in grade, type, quality, location, season, and other factors. To determine the stabilized price level for any marketing year, the stabilized prices to producers for all commodities prescribed under this act for such marketing year shall be reduced to a common factor, such as milk equivalent, and averaged.

"Sec. 437. In order to stabilize prices for milk and dairy products, the Board is authorized and directed to establish and maintain a surplus holding pool. The Board shall remove from the ordinary and usual channels of domestic consumption milk and dairy products which are not absorbed in such channels at the prevailing stabilization price levels. In order to accomplish this objective, the Board shall stand ready and willing at all times to purchase domestically produced butter, cheddar cheese, and non-fat dry milk solids, together with such milk and butterfat and such other dairy products or byproducts as the Board may by order designate. Such purchases shall be at price levels which the Board determines will return to producers on a general average basis the prevailing stabilization levels for milk and butterfat. Appropriate adjustments and differentials may be made between terminal markets, and between such terminal markets and country locations. The Board shall give due consideration to historical and established differentials in determining such adjustments and differentials. Purchases may be made either in terminal markets or at country locations, or both, with appropriate adjustments and differentials as above provided. The Board may prescribe the terms and conditions under which it will make such purchases. The specific purchases to be made and the types and grades to be purchased shall be in the discretion of the Board. The Board may take physical possession of any milk or any dairy products acquired by it or operate through the use of contracts or warehouse receipts in its discretion. It may operate on the commodity exchanges to whatever extent it deems appropriate. It may make its purchases and sales and perform its other functions through its own staff or through such committees, corporations, stabilization corporations, agents, brokers, or persons as it may designate.

"Sec. 438. The Board may sell any milk or any dairy product owned or controlled by it at any price not prohibited by this section. In determining sales policies for any milk or any dairy product intended for use in the ordinary and usual channels of domestic consumption, the Board shall give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of such commodities. The Board shall not sell any milk or any dairy product for use in the ordinary and usual channels of domestic consumption at less than the current stabilization price therefor. The foregoing restriction shall not apply to (a) sales to prevent deterioration or spoilage or to rotate stocks, (b) sales for the purpose of establishing claims against any person for wrongful act or violation of contract, (c) sales for exports, (d) sales for use in connection with special

promotional programs to increase consumption, (e) sales for new, secondary, or by-product uses, (f) sales for feed, and (g) such other sales as the Board finds and determines will not interfere with the purposes of this act. The Board may in its discretion give away, barter for domestic or foreign assets, or sell at reduced prices or for foreign currency, any milk or any dairy product in its possession or under its control where the use to be made of it is not in the ordinary and usual channels of domestic consumption, including sales or gifts to the armed services, for school lunches, for school milk programs, to charitable institutions, to governmental agencies or institutions, to educational or research institutions, for domestic relief, for foreign relief, for export, and to such other agencies or for such other purposes as the Board determines will not interfere with the purposes of this act.

"Sec. 439. The Federal Government and the various agencies and instrumentalities thereof, in connection with programs sponsored by the Government or supported in whole or in part by Government funds which call for the distribution of food, shall give due consideration to obtaining milk and dairy products from the Board. Agencies of the United States Government in connection with relief or other distributions or the procuring of materials, equipment, supplies, or services in foreign nations, are directed to cooperate with the Board in the disposal of milk and dairy products by barter or exchange for foreign assets or currencies and in the utilization of foreign currencies.

"Sec. 440. The Board is authorized to promote and develop new and expanded outlets for milk and dairy products.

"Sec. 441. The operations of the Board in connection with acquiring, transporting, holding, storing, manufacturing, processing, handling, selling, and disposing of milk and dairy products may be conducted through regular commercial channels, and due consideration shall be given by the Board to dislocating or disrupting as little as possible, consistent with the purposes of this act, the usual and customary channels of trade. Nothing herein contained shall prevent the Board from conducting such operations itself or through a corporation, stabilization corporation, broker, agency, or person.

"Sec. 442. After the effective date of this act, surplus milk or dairy products shall not be sold or otherwise disposed of in the ordinary and usual channels of domestic trade by the Commodity Credit Corporation or by any other Federal agency without the express consent of the Board. The purpose of this provision is to segregate the surplus milk and dairy products held by the Commodity Credit Corporation on the effective date of this act or subsequently acquired by it under this act.

"Sec. 443. In any marketing year in which surplus milk or dairy products are acquired by the Board and in which milk or dairy products are imported into the United States from any foreign country, the Board shall be entitled to turn over to the Commodity Credit Corporation for disposal as surplus in accordance with the provisions of this act an amount of such surplus dairy products which shall not exceed the equivalent of the total amount of such imports, as determined by the Board, or, with the consent of the Commodity Credit Corporation, the Board may dispose of such surplus dairy products for the account of the Commodity Credit Corporation. All loss sustained by the Board in removing from the domestic market surplus milk and dairy products in an amount equivalent to such imports shall be repaid to the Board by Commodity Credit Corporation. The Board may exclude from the op-



eration of this section any imported dairy products which it determines are not competitive with domestically produced milk, butterfat, or dairy products.

"SEC. 444. In any marketing year in which surplus milk or dairy products are acquired by the Board and in which the total domestic production of milk or butterfat is increased due to diversion from the production of any other crops or commodity, including livestock, the production of which is controlled or regulated under any Federal agricultural program, the Board shall be entitled to turn over to the Commodity Credit Corporation for disposal as surplus in accordance with the provisions of this act an amount of such surplus dairy products which shall not exceed the equivalent of the total amount of such increased milk and butterfat production, as determined by the Secretary, or, with the consent of the Commodity Credit Corporation, the Board may dispose of such surplus for the account of the Commodity Credit Corporation. All loss sustained by the Board in removing from the market surplus milk and dairy products in an amount equivalent to the volume of such increased production due to diversion shall be repaid to the Board by Commodity Credit Corporation. Such losses shall be charged by Commodity Credit Corporation to the price-support programs of the crops from which such diversion occurred.

*"Review by the Secretary*

"SEC. 445. The operations of the Board shall be subject to the supervision and control of the Secretary to the following extent and in the following manner. Whenever the Secretary shall certify to the Board that there is reason to believe the operations of the Board have resulted or will result in prices to producers for milk or butterfat or both which are unreasonably high when considered in connection with the purpose of this act, he shall, unless prompt action is taken by the Board to remedy the situation, cause a hearing to be held within the Department for the purpose of determining such fact. Reasonable notice of such hearing shall be given, and all interested parties shall be given an opportunity to appear and present evidence, statements, and arguments relevant and material to the issues involved, all of which shall be made a part of the record of the hearing. The Secretary may prescribe rules and regulations governing such hearings.

"SEC. 446. If, on the basis of the record of such hearing, the Secretary determines that the operations of the Board have resulted or will result in prices to producers that are unreasonably high, when considered in connection with the purposes of this act, he shall by order prescribe the stabilization price levels which he determines would not be subject to such objection.

"SEC. 447. If the Board shall fail or refuse within a reasonable time to take effective action to bring the stabilization price levels in line with the levels ordered, the Secretary may petition the United States Court of Appeals for the District of Columbia Circuit for a decree directing the members of the Board to take action or to cease and desist from the taking of certain actions as the case may be. The court shall have jurisdiction to enter a decree affirming, modifying, or setting aside the order of the Secretary, or to enter such other decree as the court may deem equitable. The orders of the court may be enforced by contempt proceedings. Any order issued by the Secretary as above provided may be appealed by the Board to the said court and shall thereupon be subject to review by the court.

*"Marketing assessment*

"SEC. 448. The cost of operating the stabilization program and of regulating the marketing of milk and dairy products in interstate and foreign commerce, or so as to affect

such commerce, as herein provided, shall be paid by the milk producers and importers marketing milk, butterfat, or dairy products in such commerce, or so as to affect such commerce, in proportion to the milk, butterfat, and dairy products so marketed by them. Thus the cost of developing and maintaining an orderly, stabilized, and improved market will be charged directly to those using the improved market and sharing in its benefits and to them only; and the amount paid by each will be directly related to the use made of the improved market. Marketing assessments in amounts sufficient to cover the costs of the program, as determined by the Board in accordance with the estimated requirements of the program for each marketing year, are hereby assessed against and shall be collected from each producer and importer who sells milk, butterfat, or dairy products in interstate or foreign commerce or so as to affect such commerce. The marketing assessments shall be established on an annual, marketing year basis. They shall be announced by the Board as far in advance of the beginning of the marketing year as is practicable. The assessments so announced shall not thereafter be varied before the close of the marketing year for which they are applicable, except that in emergency cases, the Board may redetermine such marketing assessments in the same manner that stabilization price levels may be redetermined in emergency cases. Every person purchasing milk, butterfat, or dairy products from a producer (except purchases by consumers for other than commercial uses), shall withhold from the purchase price an amount equal to the marketing assessment and shall remit the same to the Commissioner of Internal Revenue. For the purposes of this section, milk, butterfat, or dairy products delivered by a producer to a cooperative association of producers shall be subject to the marketing assessment upon such delivery. Returns shall be filed and remittances made monthly by such purchasers in accordance with rules prescribed by the Commissioner.

"SEC. 449. Producers holding licenses or permits issued by Federal, State, or local agencies authorizing them to sell milk, butterfat, or dairy products directly to consumers shall file returns and pay the marketing assessment on all sales made by them to consumers for other than commercial uses.

"SEC. 450. The Commissioner of Internal Revenue shall collect the marketing assessments provided for herein and shall prescribe such rules and regulations as may be necessary to accomplish that purpose.

"SEC. 451. The collection of the marketing assessments shall be enforced in the same manner that the collection of the taxes on employees under the Federal Insurance Contributions Act is enforced, and the remedies, penalties, and punishments provided by law or regulations for enforcement of such employee taxes shall, insofar as applicable and not inconsistent with the provisions of this act, be applicable to the collection and enforcement of the marketing assessments.

"SEC. 452. There is appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1959, an amount equal to the marketing assessments collected under the provisions of this act. Such sums shall be maintained in a separate fund and shall be used by the Board only to accomplish the purposes and policies of this act and for the administrative expenses of the Board. The sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for the purposes of this act until expended. All sums collected by the Commissioner of Internal Revenue under the provisions of this act shall be credited as received to a special account without fiscal year limitation set up for the use of the Board. Such funds, including any other funds of the Board, bor-

rowed or otherwise, which may be in any such special account, shall be available for use by the Board in carrying out the purposes and policies of this act and for the administrative expenses of the Board. The Board may expend such funds for such purposes, at such times, and in such amounts, consistent with the provisions of this act, as the Board finds will effectuate the purposes of this act.

"SEC. 453. The Secretary of the Treasury is authorized and directed upon request of the Board to establish one or more special accounts without fiscal year limitation for the use of the Board.

"SEC. 454. All imports of milk, butterfat, and dairy products shall be subject to the collection of marketing assessments at the same rates as those collected from domestic producers. The Secretary of the Treasury shall collect the marketing assessments on imports at the time of importation. The laws and regulations applicable to the import tax on sugar imposed by section 4501 (b) of the Internal Revenue Code of 1954 shall, insofar as applicable and not inconsistent with this act, be applicable to the collection of the marketing assessments on imports. All funds so collected shall be credited as received to the special account of the Board and shall be available for use by the Board in the manner and for the purposes above mentioned. Rules and regulations governing the collection and payment of such fees shall be prescribed by the Secretary of the Treasury.

*"Marketing allotment programs*

"SEC. 455. The provisions of sections 55 through 63 shall be applicable only to marketing years when a marketing allotment program is required or in effect under this act.

"SEC. 456. In the event the marketing assessment established by the Board for any marketing year would exceed 25 cents per hundredweight of milk, the Board shall set up and put into effect for such year a marketing allotment program operated and financed in the manner hereinafter authorized.

"SEC. 457. The Board shall establish a base for each producer desiring to market milk or butterfat. Bases shall be assigned to producers, including partnerships, corporations, or other business entities, and not to herds or farms. The Board shall provide by rules or regulations for the transfer of bases in whole or in part, for the assignment of bases to new producers, for the equitable adjustment of bases to avoid hardship, for such other adjustments consistent with the objectives of this act as the Board deems appropriate, including adjustments for deficit production areas, and for such other matters as may be necessary or appropriate to set up and operate effectively and efficiently the programs herein authorized. In allocating such bases the Board shall take into consideration historical production, trends, abnormal production during the historical period, and such other factors as may be appropriate to carry out such allocation in an equitable and practical manner. Bases established by the Board shall continue in effect from year to year until terminated by the Board, but such bases shall be subject to modification and adjustments from time to time by the Board.

"SEC. 458. Persons required to withhold and report marketing assessments shall make such additional reports as the Board may prescribe by rule or regulation relating to the volume of milk marketed by each producer. The Board shall have authority to make such investigations, inspections, and audits of the records of any such person as may be necessary to enable it to carry out and enforce effectively the objectives of this act.

"SEC. 459. The Board shall estimate and announce annually, as far in advance of the beginning of the applicable marketing



year as is practicable, (1) the estimated supply for such marketing year; (2) the total quantity of milk and dairy products which can be marketed during such marketing year at prices equal to or above the stabilization price levels for such year; (3) the total quantity of milk and dairy products which can be sold or otherwise disposed of at prices less than the stabilization price levels for such year but which will provide a net return above the cost of handling; (4) the total quantity of milk and dairy products to be sold, donated, or otherwise disposed of during such year at a net loss below the cost of handling; (5) the amount by which storage stocks, reserves, and set-asides will be increased or decreased during such year; (6) the value of the milk and dairy products in items numbered 1 through 5 above, including negative values where applicable and (7) such other matters as the Board deems appropriate to carry out the objectives of this act. The estimates of the Board may be varied before the close of the marketing year for which they are applicable in the same manner in which announcements of stabilization price levels may be varied.

"SEC. 460. The Board shall annually allocate to producers holding bases established by the Board the available markets for the applicable marketing year. Such allocations may be expressed in terms of percentage of base.

"SEC. 461. The Board shall provide for the issuance of marketing certificates covering the marketing allocations of each producer.

"SEC. 462. The Board may establish one or more marketing assessment rates for milk or butterfat marketed in any marketing year when a marketing allotment program is in effect. Such rates may be varied as between milk or butterfat marketed under marketing certificates and that marketed without such certificates.

"SEC. 463. Marketing allotment programs set up by the Board shall be suspended or terminated by the Board whenever the marketing assessment established by the Board for any marketing year would not exceed 25 cents per hundredweight of milk. If for any subsequent marketing year such assessment would exceed that amount, then a marketing allotment program shall be operated for each such marketing year.

#### "Miscellaneous

"SEC. 464. The latest available statistics of the Federal Government shall be used in making the findings and determinations required to be made under this act. Such statistics and other information of the Federal Government, and of its departments and agencies, as may be necessary or appropriate to enable the Board to carry out effectively the purposes of this act, shall be made available to the Board.

"SEC. 465. Office space for the central office of the Board shall be provided by the Department of Agriculture, if the Board requests the use of such space.

"SEC. 466. The provisions of the Federal Property and Administrative Services Act of 1949 (Public Law 152, Eighty-first Congress); section 3709 of the Revised Statutes (41 U. S. C. 5), as amended; the Walsh-Healey Public Contracts Act (41 U. S. C. 35-45); section 3741 of the Revised Statutes (41 U. S. C. 22); and sections 431 and 432 of title 18 of the United States Code (18 U. S. C. 431, 432) shall not be applicable to contracts, purchases, sales, or payments made under this act.

"SEC. 467. If any provision of this act or the application thereof to any person, circumstance, commodity, or product is held invalid, the validity of the remainder of this act and the application thereof to other persons, circumstances, commodities, or products, shall not be affected thereby.

"SEC. 468. All milk and dairy products held by or for the Federal Dairy Stabilization Board and all other assets of the Board, in-

cluding borrowed money, shall be deemed property of the United States and shall be exempt from Federal, State, and local property taxes, except that real estate owned by the Board shall be subject to nondiscriminatory State and local real estate taxes. The income, obligations, contracts, and transactions of the Board, including purchases and sales made by or for the Board, shall be exempt from all Federal, State, and local taxes, licenses, and fees. All activities, contracts, transactions, and operations of the Board, its members, executive committee, officers, employees, and agents which are authorized by this act shall be exempt from Federal and State antitrust laws.

"SEC. 469. No member of the Board or of the Advisory Committee, nor any other person employed or acting in any official capacity in the administration of this act, shall speculate, directly or indirectly, in milk, butterfat, or dairy products, or in contracts relating thereto, nor shall any such person accept or receive any benefit or gain from any such speculation by others or own or have any beneficial interest in any stock or other membership interest in any organization engaged in any such speculation. Normal business operations connected with the production, manufacturing, storing, and effective merchandising of milk and dairy products, whether hedged or not, shall not be considered speculative within the meaning of this section. No member of the Board or of the Advisory Committee, nor any other person directly or indirectly connected with the Board or its activities or who shall have access to the files or information of the Board, shall divulge any information concerning the Board or its activities, which the Board shall have classified as confidential. Any person violating the provisions of this section shall upon conviction thereof be fined not more than \$10,000 or imprisoned not more than 1 year, or both.

"SEC. 470. The general penal statutes relating to crimes and offenses against the United States, its property, contracts, employees, and operations shall apply with respect to the Board, its property, contracts, employees, and operations to the extent that such application is not inconsistent with the provisions of this act.

"SEC. 471. The price support operations of the Secretary under title II of the Agricultural Act of 1949 with respect to milk, butterfat, and dairy products shall be suspended during the entire period that stabilization operations are carried on by the Board under the authority of this act.

#### "Referendum of milk producers

"SEC. 472. On the second Monday in September 1958, a referendum shall be conducted by the Secretary to determine whether dairy farmers favor a dairy stabilization program operated by the Federal Dairy Stabilization Board as herein provided or a price support program operated by the Secretary under title II of the Agricultural Act of 1949. The Secretary shall prescribe rules governing such referendum and shall determine all questions relating thereto. He shall promptly determine and announce the results of the referendum. Producers eligible to vote for nominees for appointment to the Federal Dairy Stabilization Board shall be eligible to vote in such referendum.

"SEC. 473. If a majority of those voting in the referendum provided for in the above section favor a price support program operated by the Federal Dairy Stabilization Board as herein provided, then the stabilization operations of the Board and the collection of the marketing assessments shall begin April 1, 1959. The price support operations of the Secretary under title II of the Agricultural Act of 1949 shall thereupon be suspended as provided in section 71 of this act.

"SEC. 474. If a majority of those voting in the referendum above provided favor a price support program operated by the Secretary under title II of the Agricultural Act of 1949, then the Secretary shall continue to make available to producers price support for milk, butterfat, and the products of milk and butterfat under title II of said act, and the provisions of the Federal Dairy Stabilization Act of 1958 shall cease to be effective.

"SEC. 475. The decision of the Secretary in all matters relating to the referendum above provided shall be final.

"SEC. 476. In order to provide a definite program for the purpose of such referendum, the Board is directed, in the event the dairy stabilization program herein provided is approved and notwithstanding any other provisions of this act, to support prices to producers for milk and butterfat for the marketing year beginning April 1, 1959, at 90 percent of the parity price therefor, using the manufacturing milk parity equivalent formula originally used under the Agricultural Act of 1949, and the marketing assessment for such marketing year shall be 25 cents per hundredweight of milk or milk equivalent. Thereafter the stabilization levels and the amount of the marketing assessments shall be determined annually as herein provided. The provisions of this act relating to variations in annual stabilization levels and marketing assessment rates in emergency cases shall be applicable to the stabilization levels and marketing assessment rates prescribed in this section.

"SEC. 477. Dairy stabilization programs operated by the Federal Dairy Stabilization Board shall be subject to a referendum to determine whether such programs shall be continued or terminated, if 10 percent or more of the milk producers eligible to vote in referendums under this act shall petition the Secretary in writing for such referendum. Upon receipt of a qualified petition, the Secretary shall conduct such referendum and determine and announce the results thereof.

"SEC. 478. If a majority of those voting in the referendum provided for in the above section favor a price support program operated by the Federal Dairy Stabilization Board, then the stabilization operations of the Board and the collection of the marketing assessments shall be continued. If a majority of those voting in the referendum provided for in the above section favor discontinuing the stabilization operations of the Board, then the Secretary shall make available to producers price support for milk, butterfat, and the products of milk and butterfat under title II of the Agricultural Act of 1949. Upon the reinstitution of such price supports by the Secretary, the stabilization operations of the Board shall cease and no further marketing assessments shall be collected. All assets of the Board shall be transferred to the Secretary for liquidation. Any assets remaining after the payment of all obligations of the Board shall be available to the Secretary for use in connection with such price support operations."

Mr. PROXMIRE. Mr. President, the amendment will add to the bill a new title, "Title IV—Dairy Stabilization Act of 1958."

I submit the amendment because I feel very strongly—especially as a member of the Committee on Agriculture and Forestry—that the pending bill should be truly an omnibus agricultural bill, whereas in my opinion there is no question that at the present stage, at least, the bill is an agricultural dumping bill. The bill, as it now stands, contains provisions in regard to cotton and rice, for instance; but at the present time the bill does not contain any provisions which will be of help to the dairy farmer.



Mr. President, the dairy farmer was hit first, and hardest, by the actions taken by this administration.

My amendment is a very moderate one.

In the first place, it provides for a referendum. It permits the dairy farmers to decide whether they wish to adopt this proposal. In order to accept it, a majority of the producers will be required to vote in favor of its acceptance.

In the second place, this proposal is overwhelmingly supported by the dairy organizations, who would be the most affected. As a matter of fact, the National Milk Producers Association, the principal dairy organization in the Nation, which includes 750,000-milk producers, in fact, a majority of the milk producers in the Nation are members of this organization, endorses this amendment. Incidentally, this group represents between two-thirds and three-fourths of all the dairy production in the country. The amendment is also enthusiastically supported by the National Grange and the National Conference on Commodities.

Mr. President, there has been much complaint about the present farm program. It is said that it has hurt the taxpayers. I think there is much merit to that objection, and also to many of the proposals which have been made and to many of the amendments which have been submitted.

This amendment would take a big load from the backs of the taxpayers. The amendment would sharply reduce the cost to them.

Finally, Mr. President, the amendment would provide adequate protection for the consumers.

I should like to discuss briefly the need for adoption of the amendment; and I also wish to make a brief explanation of the amendment.

Mr. President, the Nation's family-scale dairy enterprises have suffered severe losses in their returns during the past 5 years, and within the past few months additional losses have been imposed by the reduction in price supports for dairy commodities under the existing program. Action to provide effective means to help dairy producers to protect and improve their returns is urgently needed.

In 1952, the national average price received by farmers for manufacturing milk was \$4.10 per hundred pounds. In June 1958, the latest report available, the national average price received by farmers for manufacturing milk is only \$2.99.

This decline of \$1.11 per hundred pounds in the price of manufacturing milk indicates only part of the true loss in real income to producers, for costs of production have climbed sharply during the intervening years and months. The 1952 average price received by farmers of \$4.10 per hundredweight represented 96 percent of parity. As measured by the same parity equivalent standard that was in use in 1952, the average price received in May 1958, adjusted for butterfat content, was only 69 percent of parity.

The true loss in real purchasing power of manufacturing milk, therefore, has

totaled 28 percent from 1952 to the present time.

This has been a staggering blow to the dairy producer's standard of living. It has come during a period when virtually every other economic group outside of agriculture has been enjoying stable or rising returns.

This severe reduction in the standard of living of dairy producers, Mr. President, has come about as a direct result of planned and deliberate actions of the executive branch. Although the basic legislative authority under which the dairy price support programs have been carried out has remained substantially unchanged, larger decreases in price-support levels than those for other primary commodities have been permitted by law in the case of dairy commodities. Relatively few persons have understood how the parity formula has been used to hurt very badly the manufacturing milk producers.

The permissive discretion in the existing law has been utilized to a maximum by the Secretary of Agriculture to reduce levels of price protection for dairy commodities.

The price-support level, as expressed in terms of percentage of parity, is established within a range of 75 to 90 percent. The Secretary of Agriculture has utilized in the fullest the discretion allowed to him by reducing the support rate from 90 percent to the minimum of 75 percent. But that has been only the beginning.

But the producers of manufacturing milk do not have a statutory definition of "parity" to protect them. The statutory parity for milk applies to "all milk sold at wholesale." For milk used in the manufacture of processed dairy products, such as cheese, dried-milk powder, butter, evaporated and condensed milk, and others, a "parity equivalent" is used. This parity equivalent is expressed as a percentage of the parity price of all milk sold at wholesale, which includes fluid milk and cream sold for consumption in that form.

In existing law there is no statutory definition of this "parity equivalent." Instead, the Secretary of Agriculture is given discretionary authority to determine, by administrative decree, the parity equivalent for manufacturing milk. He has utilized this authority to reduce the relationship which the parity equivalent for manufacturing milk bears to the parity price of all milk sold at wholesale.

The parity equivalent which was applied in 1952 reflected the true relationship between actual market prices of manufacturing milk and all milk sold at wholesale in the years 1947-49. This was a period of unusual economic stability, occurring between the violent price readjustments which followed the removal of World War II price controls and the outbreak of hostilities in Korea. During this period, production and consumption of milk were in balance, and there were virtually no purchases of dairy commodities for price-support purposes. The actual relationship established in the market place during this period of stability and normal economic conditions was an average price received

by farmers for manufacturing milk of 88 percent of the average for all milk sold at wholesale. Thus, the parity-equivalent price which was established by administrative action in the Department of Agriculture for manufacturing milk represented 88 percent of the parity price of all milk.

The present administration, however, has abandoned the relationship established in the July 1946-December 1948 period of normal economic conditions and has substituted a moving-average device which is designed to reduce the parity-equivalent price for manufacturing milk to reflect the lower market prices which its own price-support orders have brought about. At the present time the parity-equivalent price has been reduced to only 81.2 percent of the parity price of all milk.

Mr. President, I ask unanimous consent to have printed at this point a table showing the impact of each of the two administrative actions I have described in reducing the prices and real purchasing power of manufacturing milk.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Changes in support level and parity-equivalent price for manufacturing milk, 1952 to 1958 (computed on basis of parity price of all milk at wholesale, May 15, 1958)*

Parity-equivalent price of manufacturing milk, May 15, 1958 (hundredweight):

|                                                                     |        |
|---------------------------------------------------------------------|--------|
| At parity-equivalent price under old formula.....                   | \$4.47 |
| At parity-equivalent price under present formula.....               | 4.12   |
| Effective support level, 1952-90 percent of parity (hundredweight): |        |
| At parity-equivalent price under old formula.....                   | 4.02   |
| At parity-equivalent price under present formula.....               | -----  |
| Effective support level, 1958-75 percent of parity (hundredweight): |        |
| At parity-equivalent price under old formula.....                   | 3.35   |
| At parity-equivalent price under present formula.....               | 3.09   |

Mr. PROXMIRE. Mr. President, this table illustrates two particularly important features of the support program for manufacturing milk under the present program:

First. The true reduction in the protected level of real purchasing power of manufacturing milk that has been accomplished by the present administration, in terms of May 15, 1958, prices, is represented by the range from \$4.02-90 percent of parity-equivalent price for manufacturing milk under old formula—to \$3.09-75 percent of parity-equivalent price for manufacturing milk under present formula.

Second. The minimum support level at today's prices that would be assured, if the original formula for computing the parity-equivalent price had been retained, would be \$3.35. This is the minimum price level at which manufacturing milk would be protected if the discretionary range of supports of between 90 and 75 percent of parity alone had been applied.

Third. The additional reduction of 26 cents per hundredweight that has been applied to the present effective



support level has resulted from administrative changes in the parity-equivalent price, and is beyond the degree of discretion generally provided in the 75 to 90 percent of parity range of supports. The present support level is only 69 percent of the parity-equivalent price computed on the basis in effect until 1954.

I wish to emphasize the extremely important point, Mr. President, that the present support level for manufactured dairy commodities is only 69 percent of parity, on the basis of the parity computation that was in effect when the present administration took office.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MONRONEY. I am amazed at the facts being shown by the able junior Senator from Wisconsin in his presentation to the Senate, as to the effect of the administrative programs of the Department of Agriculture on the dairy farmers, not only in Wisconsin, but in many other sections of our country, including some in my own State.

May I ask if there is any degree of truth in the statement that the reductions the Secretary has made in the income of the dairy farmers has been reflected to any degree in benefits to the consumers of those products?

Mr. PROXMIRE. That is an excel-

lent question, because the evidence is overwhelming that there has been no benefit to the consumer. This is not a matter of a charge being made by a partisan Senator, who is interested in protecting the dairy farmers of his State. It is a matter of fact which is available to everybody. Statistics show that milk prices paid by the consumer have not gone down. In fact, in most areas they have gone up. The farmer has been hit and hurt drastically by lower and lower and lower prices paid him, as the facts show, but the housewife has not been benefited.

The Senator from Oklahoma has made a very important point, because the administration talks about how popular Secretary Benson is becoming with the housewife and the consumer.

Mr. MONRONEY. I used to think that the expression "killing 2 birds with 1 stone" was a mere figure of speech, and that it was a physical impossibility; but it seems to me, with the producer getting less and less and less the consumer paying more and more and more, Mr. Benson has achieved the impossible. He has managed to kill 2 birds with 1 stone. He has knocked out the producer with a rock, and has had it ricochet off the producer to knock out the housewife on the cost-of-living index.

Mr. PROXMIRE. If I may interrupt at that point, I think the Senator has

made an excellent analogy. Secretary Benson has certainly been throwing curves, and the curves have been so "curvy" that they have knocked out both the producer and the consumer.

Mr. MONRONEY. It is the present ricocheting administration that has caused consumers to be faced with the highest prices in all history, and has bankrupted the producers with the lowest prices, particularly on dairy products.

Mr. PROXMIRE. Exactly. I should like to show just how drastically dairy farmers have been affected.

#### DAIRY PRODUCERS' RETURN ON LABOR EXTREMELY LOW

Dairy farmers have traditionally received relatively low returns for their labor, management skill, and invested capital. I have here a table, based on the latest Department of Agriculture report available, showing the returns on labor to the operator and his family for the various types of farm and ranch operations in the United States, including dairy farms, together with pertinent information about the scale of each type of operation.

I ask unanimous consent to have this table reprinted at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

*Average return per hour of labor to farm operator and family, by characteristic types of farms in United States*

| Type of farm                          | Total farm capital, Jan. 1, 1956 | Land in farm | Hours of labor, operator and family | Hours of labor, hired | Return per hour 1947-49 (1956 dollars) | Return per hour, 1956 | Type of farm                                 | Total farm capital, Jan. 1, 1956 | Land in farm | Hours of labor, operator and family | Hours of labor, hired | Return per hour 1947-49 (1956 dollars) | Return per hour, 1956 |
|---------------------------------------|----------------------------------|--------------|-------------------------------------|-----------------------|----------------------------------------|-----------------------|----------------------------------------------|----------------------------------|--------------|-------------------------------------|-----------------------|----------------------------------------|-----------------------|
| Dairy, central Northeast              | 30,000                           | 208          | 3,770                               | 670                   | .69                                    | .70                   | Wheat-small grain-livestock, Northern Plains | 45,200                           | 695          | 2,490                               | 450                   | 2.07                                   | 1.85                  |
| Dairy, eastern Wisconsin              | 33,770                           | 129          | 3,790                               | 520                   | .68                                    | .43                   | Wheat-corn-livestock, Northern Plains        | 41,790                           | 487          | 3,420                               | 460                   | 1.40                                   | .34                   |
| Dairy, western Wisconsin              | 22,610                           | 149          | 3,440                               | 470                   | .56                                    | .52                   | Wheat-roughage-livestock, Northern Plains    | 40,700                           | 785          | 3,210                               | 220                   | 1.49                                   | .32                   |
| Hog-dairy, Corn Belt                  | 43,260                           | 164          | 3,820                               | 570                   | 1.12                                   | .78                   | Winter wheat, Southern Plains                | 76,540                           | 720          | 2,060                               | 300                   | 3.20                                   | -.21                  |
| Hog-beef raising, Corn Belt           | 36,310                           | 223          | 3,250                               | 240                   | .74                                    | .48                   | Wheat-grain sorghum, Southern Plains         | 76,070                           | 726          | 2,710                               | 260                   | 2.14                                   | -.58                  |
| Hog-beef fattening, Corn Belt         | 60,460                           | 203          | 3,410                               | 600                   | 2.28                                   | 1.15                  | Wheat-pea, Washington and Idaho              | 155,680                          | 549          | 2,300                               | 1,050                 | 3.44                                   | 2.70                  |
| Cash grain, Corn Belt                 | 92,110                           | 232          | 2,830                               | 460                   | 2.08                                   | 1.71                  | Sheep ranch, Northern Plains livestock area  | 81,770                           | 6,189        | 4,020                               | 3,660                 | .79                                    | -.28                  |
| Tobacco-livestock, Kentucky bluegrass | 23,720                           | 116          | 2,800                               | 380                   | .86                                    | .70                   | Cattle ranch, Northern Plains livestock area | 69,900                           | 4,120        | 3,280                               | 690                   | .96                                    | -.61                  |
| Tobacco-cotton, Coastal Plain         | 17,500                           | 100          | 2,840                               | 920                   | .75                                    | .79                   | Cattle ranch, intermountain region           | 61,650                           | 1,710        | 4,020                               | 1,030                 | 1.37                                   | .66                   |
| Tobacco, Coastal Plain                | 10,790                           | 50           | 3,160                               | 480                   | .58                                    | .70                   | Sheep ranch, Southwest                       | 177,220                          | 12,836       | 2,690                               | 2,340                 | -.31                                   | -3.39                 |
| Tobacco-cotton, Coastal Plain         | 38,200                           | 170          | 2,830                               | 1,330                 | .75                                    | .86                   | Cattle ranch, Southwest                      | 130,640                          | 10,660       | 2,600                               | 940                   | .31                                    | -3.30                 |
| Cotton, southern Piedmont             | 16,290                           | 179          | 2,450                               | 400                   | .34                                    | .31                   |                                              |                                  |              |                                     |                       |                                        |                       |
| Cotton (irrigated), High Plains       | 88,540                           | 320          | 2,420                               | 6,390                 | 3.76                                   | 3.42                  |                                              |                                  |              |                                     |                       |                                        |                       |
| Cotton (small) Delta                  | 11,460                           | 57           | 2,320                               | 470                   | .58                                    | .44                   |                                              |                                  |              |                                     |                       |                                        |                       |
| Cotton, Black Prairie                 | 29,030                           | 180          | 2,260                               | 910                   | .82                                    | -.22                  |                                              |                                  |              |                                     |                       |                                        |                       |
| Cotton (nonirrigated), High Plains    | 38,250                           | 381          | 2,270                               | 1,070                 | 2.50                                   | .60                   |                                              |                                  |              |                                     |                       |                                        |                       |
| Cotton (large), Delta                 | 181,690                          | 1,000        | 3,200                               | 15,830                |                                        |                       |                                              |                                  |              |                                     |                       |                                        |                       |
| Peanut-cotton, southern Coastal Plain | 9,740                            | 139          | 3,400                               | 700                   | .58                                    | .75                   |                                              |                                  |              |                                     |                       |                                        |                       |

Source: Farm Costs and Returns, 1956, Information Bulletin No. 176, Agricultural Research Service, U. S. Department of Agriculture, June 1957.

Mr. PROXMIRE. Mr. President, I should like to refer to this table, and point out that before the present administration took office, in 1947 to 1949 the average return per hour of the dairy farmers in Wisconsin was 68 cents. By 1956 it had dropped to 43 cents.

Throughout the table showing these sad statistics, the record is the same. Not only have dairy farmers been hit and hurt badly, but virtually throughout America all farmers have been hurt by this disastrous program.

I think an examination of this table will show that the dairy farmers have been among those who have been hit the hardest, particularly when the fact is recognized that dairying involves a very substantial investment by the operator.

Dairy farmers work very long hours. I think a recent study by the Department of Agriculture showed that dairy farmers work longer hours than those in any other business anywhere in America. It is not a seasonal farming operation. It is a 12-month operation. It is a 7-day a-week operation. It is a 12-hour-a-day operation.

#### PRESENT DAIRY PROGRAM INADEQUATE

As presently administered, the present dairy price support program is seriously inadequate. It has been characterized by extremely serious costs to the Government during the recent period of its most serious inadequacy from the standpoint of protecting the returns to farmers.

It is fantastic to read about so-called liberal Senators who oppose Secretary Benson and want to spend more than Benson. The assumption always is that such liberal Senators want to place a greater load on the already overburdened American taxpayer, and that Secretary Benson wants to help the taxpayers.

Losses during the past 5 years have mounted to more than \$1.5 billion—more than 100 times as much as the total losses in dairy price support operations before June 30, 1953—before Secretary Benson had anything to do with it.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am glad to yield to the Senator from Tennessee, who not



only is a firm friend of the Tennessee farmer but a friend of all the farmers of America. There is no man in America who is more beloved by the Wisconsin farmers than is the Senator from Tennessee. When he visits Wisconsin, he is always greeted with open arms and warm hearts, and he comes often.

Mr. KEFAUVER. I thank the Senator. I enjoy going to Wisconsin. I appreciate the wonderful agriculture of Wisconsin and the fine dairy producers of that State. I know they have intelligently thought about this problem, and I congratulate the Senator from Wisconsin for fighting their battles in the Senate, and for being an effective spokesman not only for the dairy producers, but for farmers engaged in all kinds of agriculture.

I was interested in the distinguished Senator's remarks about the extreme cost of the present program under Mr. Benson. As I understand the Senator is referring to a self-help program which has been largely conceived by the dairy farmers themselves, and which probably would not cost as much money as the program presently in operation. Is that correct?

Mr. PROXMIRE. The Senator is absolutely correct. It would not cost as much. As a matter of fact, the program would cost the Federal Treasury nothing, because a certain amount would be borrowed from the Commodity Credit Corporation.

The maximum amount permitted by the amendment is \$350 million. The expectation is that only \$200 million would be borrowed the first year. This would be borrowed money and not grant money. Interest would be paid, and the money would continue to be an asset of all American taxpayers.

Mr. KEFAUVER. Secretary Benson always talks about a self-help program and always urges the farmers to conceive self-help programs. This seems to be a well conceived self-help program, but when it was submitted to the Secretary I understand that despite his talk about self-help he did not go along with the program.

Mr. PROXMIRE. I regret that very much. I am sure if Secretary Benson supported the program we would have no trouble in getting it through the Congress of the United States, signed by the President, and enacted into law.

There is no question about the fact that the man standing in the way of a self-help program is Ezra Taft Benson. I think it is most regrettable. In all fairness, I will say to the Senator from Tennessee, the Republicans who are active in my State of Wisconsin have very enthusiastically supported this program.

Mr. KEFAUVER. I think the Senator from Wisconsin has devised a good program. Frankly, my only concern is that Secretary Benson is against it, and we know that one other good farm bill has been vetoed by the President this year. If we add this provision to the bill, I wonder what the Senator thinks about

the chance of the bill being vetoed, or the chance of passing the bill over a presidential veto.

Mr. PROXMIRE. Of course, there is always a prospect, when we add to a bill provisions with which the administration disagrees, the President may veto the bill. I think, under the principle of the separation of powers, there is no question that the Congress has the duty to pass the best legislation it knows how to pass. There has been absolutely no guaranty or assurance that the President will veto any kind of farm legislation. That is always a guess.

I should like to say to the Senator from Tennessee that I have talked with many persons who have real reason for knowing the attitude of the Members of the House of Representatives, and I am told their attitude is that unless we give them a really good bill, unless we give them a bill which includes some consideration for the dairy farmers, the House of Representatives will not pass the bill. I am told the attitude in the House is that the farm bill should help the farmer, not help Ezra Taft Benson.

Mr. KEFAUVER. I think the Senator has prepared a good provision for the dairy farmers. I should like very much to vote for his proposal. Whether such a proposal would mean the President would not sign the bill and there would be no farm legislation at all is a matter to which I think we have to give consideration.

Mr. PROXMIRE. I think we do. I think that is a very wise approach.

Mr. KEFAUVER. In any event, the Senator has a good approach. I hope the White House and Mr. Benson will take another look at this proposal, and that it may sometime be enacted into law for the benefit of the dairy producers.

Mr. PROXMIRE. I thank the Senator from Tennessee.

Mr. KEFAUVER. I congratulate the Senator upon his approach to the problem, upon his valiant fight, and upon the great work and thought which he has expended on his proposal.

Mr. PROXMIRE. I thank the distinguished Senator from Tennessee.

There is no indication that the spectacular failure of the present program from the standpoint of cost to the Government will be corrected in the future.

Senators should think of that. There is no indication, unless we act, despite the \$1½ billion cost of the present program under this administration, that the Federal Treasury will not have to continue to pay huge sums of money.

Mr. President, I have prepared a table showing the amount of losses on dairy price support operations for each year under the present administration, contrasted with the total amount of losses incurred in the preceding years. I ask unanimous consent that the table be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

| Losses on dairy price support operations |       |               |
|------------------------------------------|-------|---------------|
| Fiscal year ending                       |       | Net loss      |
| June 30:                                 |       |               |
| October 17, 1933, to June 30,            |       |               |
| 1953                                     | ----- | \$136,525,596 |
| 1954                                     | ----- | 130,713,531   |
| 1955                                     | ----- | 440,269,193   |
| 1956                                     | ----- | 449,438,002   |
| 1957                                     | ----- | 286,877,744   |
| 1958 (10 months through                  |       |               |
| Apr. 30)                                 | ----- | 255,426,359   |

(Source: Report of Financial Condition and Operations, U. S. Department of Agriculture, Commodity Stabilization Service.)

Mr. PROXMIRE. Mr. President, it should be emphasized that not all of the amounts reported by the Department of Agriculture as losses represent true losses to the Government. The public receives full value for much of the expenditure that is included in the totals. For example, the total for the present fiscal year includes \$85 million expended for the special school milk program—every cent of which represents a valid and worthwhile public service. Moreover, the American people have received full value from substantial expenditures—although reported as losses in Department of Agriculture records—of supplies of dried milk powder and other dairy commodities for international famine relief, economic development, and military support.

As a matter of fact, I understand that the entire Greek aid program is supported by our agricultural commodities, including dairy commodities, which play a very important and decisive role.

However, it is extremely dubious public policy at best to treat these worthwhile utilization programs as an incident to an unsuccessful price support operation. Useful public programs can and should be justified on their own merits, rather than being dependent upon the need to find outlets for "surplus disposal."

Moreover, it is unfair and unsound to manage these programs in such a way that their costs can be exploited politically to destroy necessary and justified protection of farmers' returns. If there are legitimate uses for the indicated "surplus" of dairy commodities which have occurred under the present programs, the availability of those supplies does not justify the present policy of driving down farm prices.

The mistaken emphasis upon "surplus disposal" which flows from the present program has resulted in instances of enormous waste, despite the conscientious efforts that have been made by Congress, by administrative agencies, and by private and public relief agencies.

#### ADEQUATE DAIRY PROGRAM NEEDED

Mr. President, testimony before the Committee on Agriculture and Forestry, in public hearings, demonstrated that there is a substantial degree of agreement among dairy producers and their representatives upon the need for an effective dairy program which would protect the returns of producers at a



fair level and avoid substantial costs to the Government. The central principles of proposals that have been offered are:

First. Provide the mechanism whereby producers can adjust their marketings of milk to the real needs of the Nation for domestic markets and for export;

Second. A system of incentives to producers to cooperate with the marketing adjustment plan, to be financed within the dairy economy without the need for imposing heavy burdens upon the Treasury.

Marketing agreements and marketing orders in the fluid milk markets provide substantial precedent for a national program embodying these principles to be applied to manufacturing milk.

Mr. President, I believe that Congress should extend to dairy producers an opportunity—that is all we ask, an opportunity—to participate in a long-range program based on these principles.

Mr. President, the amendment which I am proposing would establish a self-help dairy stabilization plan. The proposal for a self-help dairy program has been developed after years of careful study and thorough thought by agricultural leaders. I am a cosponsor, with the junior Senator from Minnesota [Mr. HUMPHREY] and my senior colleague from Wisconsin [Mr. WILEY] of a bill which was introduced at the request of the National Grange and the National Milk Producers Federation, to provide for the dairy program which those fine organizations have been instrumental in developing. This bill, which is known as the Dairy Stabilization Act of 1958, is the outgrowth of many, many months of negotiations among interested dairy and other farm groups, who have worked with increasing urgency in an attempt to obtain the maximum unity on a new, long-range approach to sounder dairy legislation.

The National Grange took the lead in the tremendous educational efforts that have been required to obtain widespread support for the dairy stabilization plan. The National Milk Producers Federation, which has affiliated with it a very substantial proportion of the dairy producers of my State of Wisconsin, and of the Nation as a whole, has endorsed this proposal wholeheartedly. The National Milk Producers Federation, incidentally, is the largest organization of dairy producers in this country, and it represents farmers in every State of the Union. Mr. William Knox, publisher of Hoard's Dairyman, of Fort Atkinson, Wis., an extremely able and universally respected authority in the field of agricultural economics and dairy legislation, contributed his expert assistance in drawing up this plan.

The self-help plan has been approved also by the National Conference of Commodity Organizations, which was established within recent years in a effort to gain increased cooperation between various commodity groups on new farm legislation. The National Conference of Commodity Organizations, in which the National Milk Producers Federation is

playing a leading role, has succeeded in gaining widespread support for the self-help plan from commodity organizations outside of the dairy industry.

This self-help program is what would be provided by the amendment which I have called up for consideration at this time. Let me make it clear to my colleagues that adoption of the amendment would not have the effect of jamming anything down the throats of dairy farmers that they themselves do not want. The proposed legislation has overwhelming support from the dairy and farm leaders. The remarkable thing about the program is that the farm associations and dairy associations which support it represent an overwhelming majority of America's dairy producers.

The self-help plan has also been approved by the National Farmers Union, as a desirable objective for careful consideration by Congress, and the Wisconsin Farmers Union has endorsed the principles of this plan. It has been endorsed, incidentally, by a large number of the Farmers Union affiliates in my own State of Wisconsin.

But the legislation itself would provide for a nationwide referendum of dairy producers to determine whether dairy farmers prefer the self-help plan for stabilizing their markets, or whether they prefer to continue the price support program which is in operation at the present time.

I believe firmly in the principle of submitting important policy decisions of this kind to a referendum of the producers of the commodity concerned. Certainly, there is no better way, no way that can be more democratic, for obtaining the advice and counsel of the farmers themselves on the programs which are so vitally important to them.

I should like now to describe briefly the principal provisions of the dairy stabilization and self-help program. The most understandable explanation is one which has been prepared by the National Milk Producers Federation. It was presented to our committee at its hearings on June 2 and 3 last. This is the explanation which I think tells exactly what the amendment would do:

The self-help program, if enacted by Congress and approved by dairy farmers, will improve the income position of dairy farmers, relieve the taxpayer from the cost of price supports and take the Government out of the dairy business. These are the goals of the Dairy Stabilization Act of 1958, which is presently being considered by the Congress.

Under the proposed law the price will be supported at 90 percent of parity the first year, beginning April 1, 1959. In subsequent years the levels will be determined by a stabilization board of dairymen.

We are not asking for the moon. We are making as modest a proposal as one could imagine, a proposal which would relieve the taxpayers of an enormous cost. It is a proposal by which the dairy producers would receive a modest 90 percent of parity—not 100 percent of parity. It is a proposal which, therefore, would provide real protection for consumers, as well as an enormous saving for the taxpayers.

The support prices will be maintained by the purchase of manufactured dairy prod-

ucts which are in excess of the requirements of the market.

The plan will not affect the local milk-marketing plans for paying producers.

The self-help program will differ from the present Government program in five principal respects:

1. Dairy farmers will have a choice—self-help or the present Government price-support program.

2. The program will be run by dairy farmers rather than by the Secretary of Agriculture.

3. Farmers will have the assurance of expert and efficient management of surpluses, without the restrictions inherent in Government operations. Under the present program, for example, the existence of Government-held stocks have prevented market prices from rising above the support level.

4. The price of milk will be set at the optimum level consistent with economic conditions rather than at the lowest level that will assure an adequate supply.

5. The program will be financed by dairy farmers rather than by the United States Treasury.

If Congress passes the self-help bill with the 90 percent of parity provision and if it is then approved by dairy farmers the support price for the first year beginning April 1, 1959, will be approximately \$3.98<sup>1</sup> per hundredweight minus a stabilization fee of 25 cents or a net of \$3.73.

The stabilization fee, of course, is the principal element in financing the program. This price is 67 cents a hundredweight higher than the \$3.06 announced by the Secretary of Agriculture for the 1958-59 marketing year.

This is 67 cents per hundredweight higher than the \$3.06 price announced by the Secretary of Agriculture for the 1958-59 marketing year.

If self-help is not approved by dairy farmers the support price for the year beginning April 1 1959 will be at the level prescribed by the Secretary of Agriculture within the range of 75 to 90 percent of parity or within the range of 60 to 90 percent of parity if the President's January 1958 recommendation to Congress is enacted.

The financing will be through a single stabilization fee so long as the total cost does not exceed 25 cents per hundredweight of milk. If extra production requires the additional purchases of increased surpluses, a second fee will be applied to the surplus production of individual farmers. This will mean maximum prices to producers who hold production in line with market requirements and the cost of the program to producers who do not exceed their marketing allotments cannot exceed the 25 cents per hundredweight.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. CARROLL. I should like to have the situation stated in simple terms, so that even the junior Senator from Colorado can understand it. I feel that if I can understand it, anyone can understand it.

Mr. PROXMIRE. If the distinguished Senator from Colorado does not understand it, certainly no one else can understand it—certainly not the Senator from Wisconsin.

Mr. CARROLL. Assume that there has been a referendum among dairy farmers, and they vote in favor of this proposal; who will establish the marketing agency?

Mr. PROXMIRE. I am about to come to that. A Stabilization Board would



administer the program. The Board would be composed of 15 members, to be appointed by the President of the United States. It would be a Federal agency. Among other requirements at least 11 of the 15 members must be actual milk producers, dairy farmers. The remaining 4 would be from cooperatives, and so forth.

Mr. CARROLL. Would the marketing requirements be different in different areas?

Mr. PROXMIRE. This proposal would not disturb the marketing orders. There are differences at the present time. This amendment would recognize the status quo, so far as relationships are concerned. There would be no attempt to bring Wisconsin or Minnesota up to the level of Florida or Vermont. The present relationships would be maintained.

Today marketing orders are really based directly on the price of manufacturing milk. Under this program the manufacturing milk price would be increased, so that farmers would receive a fair return. We have an abundance of manufacturing milk farmers in Wisconsin and Minnesota. Of course, the other farmers would also receive an increase, in the same dollar amount.

Mr. CARROLL. I shall continue to listen with interest to the Senator's discussion. Questions may occur to me from time to time. It seems to me that if I take them step by step, I can better understand the situation.

I am leaving for Colorado late today. I hope I shall be present for the final vote on this important farm measure.

While I am in Colorado this weekend I will be discussing this question with our dairy farmers.

How would it benefit the dairy farmer to come under this plan?

Mr. PROXMIRE. To put the benefit in the simplest economic terms, in the first place, there would be a benefit of 67 cents a hundredweight. Every dairy farmer knows what that means. It is two-thirds of a dollar, which is a substantial increase. For farmers of Wisconsin, that would be an increase of more than 20 percent. For farmers in Colorado it would also represent a substantial increase.

In the second place, it would benefit the dairy farmer because, for once, it would get him away from dependence on the taxpayers and the Government.

Mr. CARROLL. That is my next question. The increase of 20 percent will eventually have to be borne by someone. By whom will it be borne?

Mr. PROXMIRE. It will be financed by the dairy farmer. We shall never get something for nothing. What will happen will be that the processor will have to pay more for his milk than he pays now. Instead of paying \$3.06, or \$2.99, which he receives now for manufacturing milk, he will be paying \$3.85.

Mr. CARROLL. Following that through—and the able Senator from Wisconsin knows that I am not critical in any sense—

Mr. PROXMIRE. Oh, no. His are fine questions.

Mr. CARROLL. How would the cost be passed on to the consumer?

Mr. PROXMIRE. It would be passed on to the processor. I must confess that the policies which dairy processors adopt in determining their prices mystify me. They must mystify everyone else. When the price which the farmer receives goes down, the processor does not decrease the price to the consumer, as he logically should do. He maintains it. Sometimes he increases it. It depends upon what the processor thinks the traffic will bear. He maximizes his profit. It may be that the price will go up. I suppose there is a tendency for it to go up. However, I point out that the 69 cents a hundred-weight increase in the price of milk, if the whole cost were communicated to the consumer, would represent an increase in the price of a quart of milk of only about 1 cent. In logic there may be a basis, but there is certainly no basis in experience that all of it would be passed on.

Mr. CARROLL. Notwithstanding the depressed price under which the dairy farmer must operate, there has been an increase in the price of milk at the retail level. Only last week, in Washington, D. C., at my home here, I received a notice to the effect that the price of milk was moving upward again. We had been led to believe that if we reduced the support price, the price of milk would go down.

Mr. PROXMIRE. Exactly. The price which is charged the consumer depends on the will and the determination of the large processors. They have great bargaining power. National Dairy has a fantastic amount of power as compared with the power of the individual farmer. All the large processors have. Of course we cannot break the power of National Dairy, and of course they are entitled to a profit. However, we must recognize that the farmer also deserves a fair return. He is not getting it now. My proposal would probably result in a very slight increase in the cost to the processor, but it would offer real protection to the farmer.

Mr. CARROLL. If the Senator will yield further, I should like to say that we are now getting down to simple economics, which is the way I will try to explain it to my people at home. How does the taxpayer get a saving under the Senator's proposal? What saving does he get?

Mr. PROXMIRE. He gets a saving because the cost of the price support program for dairy products has been a billion and a half dollars since the Eisenhower administration came into office; but after the program is adopted there will be no cost whatever to the taxpayer or to the Treasury.

Mr. CARROLL. I believe I understand the situation now. The adoption of the plan would take the burden off the taxpayers. It is true that the processor would pay a little more.

Mr. PROXMIRE. That is correct.

Mr. CARROLL. It would depend on how much the traffic could bear as to whether that would be visited upon the consumer.

Mr. PROXMIRE. That is correct.

Mr. CARROLL. But in any event the consumer would be no worse off than he is today, because, notwithstanding the

depressed price paid to the dairy farmer, the consumer, although he was promised the benefit, is not getting any benefit at all, and, instead, the prices have been moving up. Is that correct?

Mr. PROXMIRE. That is absolutely correct. The Senator has made a very clear analysis of the situation.

I should like to make one more point. It was raised by the distinguished chairman of the Committee on Agriculture and Forestry yesterday during a brief colloquy. There would be a cost to the Federal Treasury. It would have to lend a maximum of \$350 million. In the first year it would lend about \$200 million. That amount of money would be borrowed. Of course, interest would be paid on it. The money borrowed by the board would result in one of the best investments the Treasury could make. Interest would be paid on the loan. The Government would have that investment. No further appropriations would be made. There would not be another billion and a half dollars paid out, spent, lost in the next 5 years.

Mr. CARROLL. Is the proposed amendment consistent with the general purport of the farm bill, which is designed to lower the price support on feed grains? What would result from a reduction in the price of feed grains? What effect would that have on the price of milk?

Mr. PROXMIRE. When the price of feed grain is lowered, what happens, of course, is that more feed is used and a greater production of milk results. As a consequence the price of milk drops.

Mr. CARROLL. Irrespective of the price of grain, what effect would the program have—

Mr. PROXMIRE. What effect would it have on the consumer?

Mr. CARROLL. Yes.

Mr. PROXMIRE. It would increase the price of milk by 67 cents a hundred-weight. That would be the immediate increase. There would be the long-range assurance that there would be a stable price. The taxpayer would be relieved of the billion-and-a-half-dollar burden he has had to carry every 5 years. That would be taken off his back permanently.

Mr. CARROLL. What I had in mind was whether the bill would have any effect on the price of milk, if, with a reduction in the price supports on feed grains, it stimulated milk production.

Mr. PROXMIRE. If it stimulated more milk production, it would be necessary to invoke quotas and penalties and charges against the excess milk production. The effect would be adverse to the milk producer. Even with the amendment, the effect of the bill to that extent would be adverse, although the overall effect would be salutary. I oppose the bill in its present form. If the amendment is adopted, I shall vote for it with some enthusiasm.

Mr. CARROLL. I thank the very able junior Senator from Wisconsin for clearing up in my mind several questions which occurred to me. He has made a very able presentation and I wish to express my thanks to him.

Mr. PROXMIRE. I thank the Senator from Colorado.



(At this point Mr. PROXMIRE yielded to Mr. JAVITS, and debate ensued on the President's letter to Mr. Khrushchev and the situation in the Middle East, all of which appears in today's RECORD under the appropriate headline at the conclusion of Mr. PROXMIRE's speech.)

Mr. PROXMIRE. Mr. President, I shall continue my explanation of the long-range dairy bill after this brief but extremely important interlude during which Senators have discussed the situation in the Middle East.

Mr. President, to cover operating costs and anticipated losses in the marketing of surplus dairy products, the Board will establish for each marketing year a stabilization fee, or fees, to be assessed against milk and butterfat marketed by dairy farmers. Thus dairy farmers will make possible the benefits they derive from the program.

For the first year milk producers will pay a single fee of 25 cents per hundred pounds of milk marketed. In succeeding years, a single stabilization fee also will be used—if total production is held reasonably in balance with the domestic market requirements, and if the total cost of operating the program can be financed with such a single assessment of 25 cents or less per hundredweight.

If the cost of operating the program should in subsequent years require an assessment of more than 25 cents per hundredweight, a system of marketing allotments would be used.

This is a very important part of the program, because on these provisions depends the ability of this proposal effectively to limit production and, furthermore, the ability of the Dairy Stabilization Board to repay the \$350 million the bill authorizes it to borrow from the Commodity Credit Corporation. I think any fairminded person would say that these provisions have ample teeth in them to protect the taxpayer, and also to protect the producer, so that the amount produced can be limited.

Continuing to read from the explanation of the National Milk Producers Federation:

The marketing allotments would be assigned to individual farmers and would represent their proportionate share of the national domestic market for milk and dairy products. Every dairy farmer would receive an allotment of the same percentage of his production as every other dairy farmer. For milk or cream deliveries within the allotments, a stabilization fee of 10 to 15 cents per hundredweight would be assigned. A second and higher fee would be assessed against marketings of milk and cream in excess of the allotments. This method of financing will assure maximum returns to producers who hold their marketings of milk and cream within their allotments. Producers who increase their marketings above their allotments would thus receive a lower net return. The surplus thrown on the market by such producers, however, would not lower the returns to producers who balance production with their share of the market.

This proposal has been questioned in several respects. In the first place, the legality of the proposal has been questioned. Reading further from the National Milk Producers Federation:

The legality of self-help legislation has been given careful consideration by the federation's legal department. While the self-help plan itself is new, there are legal precedents for most of its provisions.

The Dairy Stabilization Board would be an independent Federal agency. The right of Congress to delegate power to a Federal agency has become well established, the principal requirement being that standards must be prescribed for the exercise of the power. Standards are provided in the self-help bills.

Again, this is in answer to the very proper question which the chairman of the committee [Mr. ELLENDER] asked yesterday:

Delegations of power by Congress to determine minimum milk prices for producers in areas covered by Federal milk-marketing orders have been sustained by the Supreme Court. The same law contains a delegation of power to maintain prices for certain fruits and other products by limiting the volume which can be marketed in interstate commerce.

Congress has delegated the power to assess the cost of operating the marketing order programs against the handlers, and this, too, has been sustained by the Supreme Court.

The self-help bill proposes to create an improved and orderly market for milk and dairy products. The cost of developing, regulating, and maintaining the improved market would be charged to those using the market in direct proportion to the use made of the market. The courts have permitted the cost of regulating an industry to be charged to the industry regulated provided the charges collected are reasonably related to the costs as they would be under the self-help bill.

There are two other objections which I should like to meet. One of the objections covers the broad authority of the Dairy Stabilization Board in its price-control operations:

One of the objections covers the broad authority of the Dairy Stabilization Board in price-support operations and the fear that this Board would not be subject to control by the legislative and executive branches of the Government. As a matter of fact, if, in the wisdom of Congress, maximum limitations should be provided in the bill, we are willing to work with the committee in the preparation of such revision.

The Congress in the past has in its wisdom recognized the desirability of farmers administering farm programs. We have, for instance, a very close parallel in the farm credit program. There is no intent in the self-help bill to divest the Secretary of his authority to review and act on the proposed Stabilization Board's policy.

Certainly there is no intent on the part of the supporters of the self-help proposal that the Congress be denied its constitutional right and obligation to rescind any and all authority of the Board if its policies should run contrary to the best interests of the United States.

The second objection—and this is the last objection:

A second objection involves the question of granting similar authority to other producer groups to finance and administer programs for their respective commodities. This concern is aggravated by the contention that a superboard to coordinate the commodity boards would be necessary. We suggest that the situation contemplated in this objection is purely theoretical.

We are not now, nor may never be faced with the situation described. However, if the self-help idea works for the dairy industry and if it were applicable to other agri-

cultural problems, why not use the dairy program as a pilot operation? On the matter of a superboard, it seems to us that since the Congress has enacted programs for individual commodities in the past, such legislative coordination would be all that would be needed if the Congress were to approve self-help programs for other agricultural groups.

Incidentally, I believe that one of the great strengths of this proposal is that it is a very carefully thought-out proposal for dairy products; and if it works effectively in this area, it may go a long way toward solving our farm problem by relating it, using it, and adapting it for other commodities.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. Earlier today, in the discussion relating to the Senator's so-called self-help dairy amendment, which I think aptly describes its objective, the Senator from Colorado [Mr. CARROLL] was inquiring as to the manner in which this amendment would work, and, indeed, inquired as to some of the results of the present policy as compared with this particular proposal of the Senator from Wisconsin.

In preparation for the debate on the farm bill, I looked back through some of my records and found some very interesting comments in the press and certain other public journals relating to the dairy situation.

The Senator from Wisconsin has said, I believe—and he can correct me if I am in error—that the present price support program of dairy products has operated in such a way that, as the price supports have been reduced, the result, first, has been an increase in production.

Mr. PROXMIRE. The Senator is correct.

Mr. HUMPHREY. Second, a drop in farm income.

Mr. PROXMIRE. That is correct.

Mr. HUMPHREY. And third, no substantial drop in consumer prices.

Mr. PROXMIRE. Exactly. At that point, I should like to point out how this program has not worked in any economic sense, because while the farmer was receiving less, the purpose, according to the Secretary of Agriculture, was to lower the price so that the housewife would buy more. The case is overwhelming, and the statistics show that the per capita retail sales of milk dropped between 1952 and 1957. The consumer has not bought more milk, as the price to the farmer has been hammered down.

Mr. HUMPHREY. I hold in my hand, as the Senator from Wisconsin can see, a table or chart listing farm marketings and cash receipts from marketings of milk, for the period from 1952 to 1957, in terms of billions of pounds. It is published by the United States Department of Agriculture. This is from the November 1957 publication entitled "The Farm Income Situation."

The Senator will notice that in 1952 the total farm marketings of milk were approximately 97,700,000,000 pounds. In 1957 they were approximately 113 billion pounds. That is an increase of 15,300,000,000 pounds in production in the period 1952 to 1957.



Mr. PROXMIRE. In order that there may be no inconsistency where there appears to be an inconsistency, I point out that what I said was not that there were not more sales, but that the per capita sales went down. Of course, population increased and there were other disposal programs which took care of the increased production.

Mr. HUMPHREY. The figures relating to farm marketing indicate that production went up as prices went down.

Mr. PROXMIRE. The Senator is correct.

Mr. HUMPHREY. The relationship between prices and income is very interesting. The same report shows cash receipts for marketings for 1952 to 1957, in billions of dollars. In 1952, the figure was \$4,600,000,000 on 97,700,000,000 pounds of milk. In 1957, the figure was \$4,600,000,000, the same as in 1952, but upon 113 billion pounds of milk. In other words, there was an increase of approximately 15,300,000,000 pounds of milk in production, but according to the Department of Agriculture, it did not put 1 extra dollar in the hands of the farm producer.

I believe those statistics prove the point which the Senator was making, in terms of the present program and the necessity of some new approach.

Mr. PROXMIRE. I think they prove it very well. I think there is no answer.

Mr. HUMPHREY. I hold in my hand photostatic copies of two press statements—

Mr. PROXMIRE. Before the Senator reads those statements, let me emphasize again what the Senator from Minnesota has said. He has pointed out that there has been a substantial increase in production, but at the very same time the farmer has received not one single penny more for all the additional milk. There was an increase of 15 million pounds, and the farmer has not received a nickel for the additional production.

Mr. HUMPHREY. I hold in my hand photostatic copies of two news items which appeared in the Springfield, Mo., Leader-Press. The reason I invite the Senator's attention to these particular copies of news stories is that they appeared in the same newspaper 2 days apart. The first story is headed: "Consumer Not Sharing Milk Price Prop Cut."

This is an Associated Press story with a Washington dateline. It reads as follows:

CONSUMER NOT SHARING MILK PRICE PROP CUT

WASHINGTON.—Government surveys indicate the recent reduction in dairy price supports has not affected milk production.

One of the reasons Secretary of Agriculture Benson assigned for the lower supports was a need for discouraging surplus production. Production has been running about 5 percent above consumer buying, with the extra supplies moving into Government hands under the support program.

The Agriculture Department reports 2 percent more cows are being milked than a year ago. It also reports dairymen are feeding about 5 percent more grain and concentrated feeds to dairy cows than a year ago. The amount of grain being fed was said to

be the highest of record for all regions of the country.

The other article, published on April 18, 2 days later, is entitled "Milk Higher to Public but Cheaper to Farmers." It reads:

MILK HIGHER TO PUBLIC BUT CHEAPER TO FARMERS

WASHINGTON.—The Agriculture Department reports that fluid milk prices in early April showed sharp seasonal declines at both the producer and consumer levels.

Prices paid dairymen in about 160 markets all over the country averaged \$5.25 a hundredweight in early April compared with \$5.48 in early March and with \$5.25 in early April last year.

The Department said these prices normally decline about 19 cents between March and April.

Retail prices of delivered milk in 25 major cities averaged 25.1 cents a quart compared with 25.3 cents in March and with 24.6 cents in April last year.

Thus, compared with a year ago, prices paid dairymen were down while those charged consumers were up.

Mr. PROXMIRE. That is the magic of the Secretary of Agriculture, Ezra Taft Benson. I do not know how he accomplishes it.

Mr. HUMPHREY. The argument that if the price is reduced, production will be reduced, needs to be literally nailed to the wall as soon as we can do it and as positively as we can do it. I have before me a news bulletin, published by the National Agricultural Research, 744 Jackson Place NW., Washington 6, D. C., under date of May 17, 1958. That is not a leftwing organization.

Mr. PROXMIRE. It is not a leftwing element.

Mr. HUMPHREY. Or a leftwing element. It is a substantial organization. I read:

Market prices for milk, in all but a few areas, are going to continue lower than a year earlier. Milk prices nowadays are made in Washington. And lower prices are a matter of official policy, on the assumption that low prices will curb surplus production. A doubtful assumption.

Rising production costs are the second big reason. Index of prices charged farmers for production items is climbing by 5 percent per year, setting new record highs.

I call the Senator's attention to the fact that the article states "Milk prices nowadays are made in Washington."

Mr. PROXMIRE. They certainly are. The purpose of my amendment is to see to it that they are not made in Washington. I thank the Senator from Minnesota.

UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the distinguished Senator from Wisconsin may yield to me for the purpose of suggesting the absence of a quorum. After I have suggested the absence of a quorum, I shall shortly request that the order for the quorum call be rescinded. I shall then propose a unanimous-consent agreement, which I believe will be agreeable to most Senators. I ask unanimous consent that that may be done without the Senator from Wisconsin losing his right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, on behalf of the distinguished minority leader and myself, I propose a unanimous-consent agreement, which I ask to have read for the information of all Senators.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective immediately after action on the pending amendment (7-10-58-H) proposed by Mr. PROXMIRE to S. 4071, the Agricultural Act of 1958, during the further consideration of the bill, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement?

Mr. THYE. Mr. President, I should like to inquire how many amendments it is anticipated will be considered under the unanimous-consent agreement.

Mr. JOHNSON of Texas. I do not know the answer to that question any more than I know how many more years I will live. There are a great many amendments at the desk. I believe 5 or 6 of them will be offered. However, there are 96 Senators, and each one of them may decide to offer an amendment; if so, we may be here for some time. I am hopeful that we can conclude consideration of the bill tonight. I am hopeful also that the adoption of the unanimous-consent agreement will expedite the consideration of the bill. I believe it will.

I am hopeful there will be yea-and-nay votes on 1, 2, or 3 amendments, but there is no Senator, I think, who can give any positive assurance to other Senators.

Mr. THYE. Since the Senator is so hopeful, I hope it will be possible for



him to get yea-and-nay votes in the next hour and a half on those 2 or 3 amendments; then I do not care what is done the rest of the night.

Mr. JOHNSON of Texas. I join with the Senator from Minnesota in that hope. If I had it within my power to do so, I would do what he suggests as his hope. I have told the Senator privately that I am as desirous as he is to conclude action on the bill; but sometimes we must take into consideration the viewpoints of our colleagues.

Mr. THYE. Mr. President, may I be permitted to inquire further of the majority leader how late he intends to have the session continue this evening?

Mr. JOHNSON of Texas. I hope we will run late enough to pass the bill, but certainly not beyond midnight.

Mr. THYE. I have already canceled a 5:30 p. m. departure reservation. I have endeavored to secure two other reservations. The last one I possibly can get is 11:45 tonight. If I may have the assurance of the majority leader that he will strive to have the Senate complete its action on the bill by at least 11 o'clock, thus allowing me time to depart on the 11:45 plane, I shall not object to the unanimous-consent agreement.

Mr. JOHNSON of Texas. The majority leader will strive and endeavor; but that is about as much as he can do.

Mr. THYE. I do not see the necessity of arguing for an hour on each of the many amendments. I have just made a count of them, and we still have many left to consider.

Mr. JOHNSON of Texas. I do not see the necessity for prolonging action on the unanimous-consent agreement.

Mr. THYE. I understand that time not used can be yielded back, but I have never seen much time yielded back.

Mr. President, my problem has been placed before the Senate. I withdraw my objection.

Mr. TALMADGE. Mr. President, will the majority leader yield?

Mr. JOHNSON of Texas. I yield.

Mr. TALMADGE. I have no intention or desire to object to the proposed unanimous-consent agreement, but I should like to have the assurance of the majority leader that I may have 30 minutes allotted to me on the passage of the bill.

Mr. JOHNSON of Texas. The Senator from Georgia has that assurance.

Mr. TALMADGE. I thank the Senator from Texas.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement proposed by the Senator from Texas? The Chair hears none, and the agreement is entered.

Mr. PROXMIRE. Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. HUMPHREY. Mr. President, I ask for a recount on the request for the yeas and nays.

The PRESIDING OFFICER. There is now a sufficient number. The yeas and nays are ordered.

Mr. PROXMIRE. Mr. President, just before the interruption for the unanimous-consent agreement, the junior Senator from Minnesota was about to make one other point.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. So that some of our colleagues may feel reassured, in the light of the unanimous-consent agreement, it is clearly understood that a number of amendments will not require anywhere near the time provided in the agreement. But in order to accommodate some Senators who may want to use the full time, we asked for the maximum time of 1 hour on each amendment and 2 hours on the bill. We had in mind the desires of the Senator from Georgia [Mr. TALMADGE] and other Senators. That was the purpose behind the majority leader's suggestion.

I may say to the Senator from Wisconsin that of all the items of legislative farm policy which need reconsideration, the dairy industry needs it most urgently. Why do I say that? First, there is no economic justification for the Secretary's dropping of the dairy supports. Dairy supports are approximately \$3.05 a hundredweight. They were previously approximately \$3.25.

The truth is that under the pre-Benson parity formula utilized for manufacturing milk, a price of \$3.25 would be less than the 75 percent of parity called for by law.

We in the dairy-producing areas have suffered a grave and a gross economic loss. I have in my hand an article written by Mr. Alfred D. Stedman, one of the Nation's leading agricultural journalists, which was published in the St. Paul Pioneer Press. The headline of the article is: "Farmers' Share of Milk Prices Hits 4-Year Low." The article reads, in part:

Prices paid this region's dairy farmers for the milk that Twin Cities people buy to drink fell further Tuesday to fractionally over 7 cents a quart, the lowest in 4 years.

This farm price is between one-half and one-third of what, according to official and unofficial reports, Twin Cities consumers are paying for home-delivered or store purchases of milk.

Mr. President, with the permission of the Senator from Wisconsin, I ask unanimous consent that the entire text of the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### FARMERS' SHARE OF MILK PRICES HITS 4-YEAR LOW

(By Alfred D. Stedman)

Prices paid this region's dairy farmers for the milk that Twin Cities people buy to drink fell further Tuesday to fractionally over 7 cents a quart, the lowest in 4 years.

This farm price is between one-half and one-third of what, according to official and unofficial reports, Twin Cities consumers are paying for home-delivered or store purchases of milk.

As finally determined by the Twin Cities Federal milk market administrator Tuesday, the May paying price by dealers here for bottled milk is \$3.596 a hundred pounds.

This is 3.2 cents a hundredweight less than, as reported in the Pioneer Press last Friday, the preliminary calculations had then indicated the May price might be. There hasn't been such a low milk price for Twin Cities area farmers since the spring of 1954.

The price of \$3.596 a hundredweight is equivalent to about 7¼ cents a quart. But out of that dealer price must come handling and hauling costs of between one-half and three-fourths of a cent a quart. So there's left for the farmer very little over 7 cents a quart out of the consumer's price for table milk.

A factor bothering farmers is a surplus of table milk. This is arbitrarily excluded from high-priced markets in the East and South to protect their local producers.

And under Minnesota's 8-percent markup law, Twin Cities stores are being threatened with prosecution if they advertise or otherwise offer consumer bargains that would sell the State's abundant milk at less than the required 8-percent markup.

The new May price of \$3.596 a hundredweight represents a decline of 13 cents a hundredweight from the April paying price. It is in part attributed to the United States Government's cut on April 1 of about 19 cents a hundred pounds in Federal price supports. Milk prices often decline during this season of flush milk production. But this time the decline is to lower levels than usual.

Mr. HUMPHREY. Mr. President, a similar article was published in the Minneapolis Sunday Tribune for May 18, 1958. The headline is: "Farmers Report Lower Milk Prop Cuts Into Profit."

The article points out that what has really happened has been that the dairy price support drop has brought, first, no curtailment of production. Production goes right on; in fact, it increases.

Second, there is no reduction in the price paid by the consumer, because, as has been demonstrated by statistical evidence, consumer prices are the same as they were, or they have gone up.

Third, the drop in the dairy price support reduced the farm income and farm purchasing power.

As I pointed out yesterday, it is estimated that the loss of purchasing power in the State of Minnesota alone is more than \$25 million. That amount has literally been flushed down the river.

Mr. President, I ask unanimous consent that the entire article from the Minneapolis Sunday Tribune be printed at this point in the RECORD, with permission of the Senator from Wisconsin.

Mr. PROXMIRE. I agree.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### FARMERS REPORT LOWER MILK PROP CUTS INTO PROFIT

(By Russell Asleson)

Minnesota and western Wisconsin dairy farmers are getting their first look at a new and lower pay scale for milking cows.

The dip in milk prices is showing up in checks they're receiving for milk sold during April.

And they're able to figure in dollars and cents just how much their income will be affected by the lower Government price supports which went into effect April 1 for milk used in the manufacture of butter, cheese and other dairy products.

John Doornink's high-producing herd of holsteins at Baldwin, Wis., will pump some half a million pounds of milk into their pails this year.

"With prices down 25 cents a hundred pounds, that means \$1,250 less for me," he declared. "I'm milking 35 cows and have the barn full."

Says Obert Loken, Zumbrota, Minn., who milks 30 cows: "I'm getting about 1,200 pounds of milk a day from my cows. With



the new prices, my dairy income is down \$3 a day or \$90 a month."

Added A. C. Schultz, manager of A. G. Co-op Creamery at Arcadia, Wis.: "Dairy farmers aren't too happy about the lowered price but most are taking it in stride. The small farmer with the herd of 12 to 15 cows is being hurt badly."

To assay the impact of the milk price drop, I visited some 25 dairy farmers in southeastern Minnesota and western Wisconsin last week and came away with these conclusions:

The lowering of price supports will not accomplish its aim of trimming production.

The reason: A majority of the farmers are adding cows to their herds, producing more milk to keep up their incomes. The big are getting bigger and the smaller dairyman, in many instances, is switching to some other farm enterprise.

Because of bigger herds, a number of farmers are finding their April milk checks fatter than they were a year ago.

"Our dairy income probably will be up this April," commented William Drysdale, Wabasha, Minn. "But we revamped our setup and went into loose housing last winter and added 10 heifers. Then, too, feed costs are less with cheaper homegrown grains."

"But you've got to consider we have a much bigger investment to pay off now," he pointed out. The complete remodeling cost Drysdale more than \$25,000 but will enable a further herd expansion.

I found that southeastern Minnesota farmers were not as concerned with the price drop as were those in western Wisconsin. No one, however, likes to see a smaller milk check.

But southeastern Minnesota farmers in many cases—like Drysdale who also feeds beef cattle—have an auxiliary income from steers, hogs or chickens. Wisconsin farmers, heavier into a grassland program which fits the hilly land, rely on milk cows for much of their farm income.

Dairy farmers still, in the main, don't like Secretary of Agriculture Benson and the latest price support drop did nothing to boost his popularity. But I heard less actual grumbling about Benson than was evident this winter.

"We don't like Benson any better," volunteered a Baldwin, Wis., farmer. "But we figure that he isn't going to change his mind and we will have to put up with his philosophy until we can get him back in Utah."

There are two definite schools of thought among dairymen about the lower supports; some are outright angry and see higher supports as the only salvation; others are willing to ride along with the lower prices in the hopes that the long term effect will be to bring supplies more in line with demand.

"Nobody knows what the answer is," explained Doornink. "The whole trouble is that farmers always have lacked bargaining power. And the price support has been a ceiling on milk prices rather than a floor."

What good, then, could come of the milk price drop?

"It may teach us to be better dairymen," maintained Cullen R. Pierce, Utica, Minn. "I think it is going to be a boost for cow testing. A farmer has to know which are his best cows."

Gardiner Graham, Roberts, Wis., agreed that cow testing may help.

In order to get higher production and maintain income, farmers are culling herds closely. The better cows at farm auctions are going into herds of neighbors who are expanding.

"Cow prices—reflecting the high prices for beef animals—are good and a farmer can cull his herd now and get paid for it," added a Winona county man.

Others maintain that the price drop came at a bad time—just before the flush production season when cows get out on the new

and tender spring pasture and levels rise in the milk pails.

"Benson picked a poor time to lower supports," Drysdale pointed out. "If it was mid-summer when we were coming into a period of less production, prices might have held up better. Right now, dairying isn't in good shape financially compared with other industries."

What are farmers doing—in addition to milking more and better cows—to keep up dairy income?

Some like Loken and Norman Luehmann, Lewiston, Minn., are pointing to more efficient operation in order to cut the cost of producing milk.

"Like the packing plants, we've got to use everything we can," maintained Luehmann. "I've doubled the value of my oats by cutting it for silage. I chop corn stalks for bedding because of no grain straw, but those stalks go back on the fields in the form of manure."

Luehmann has been "green chopping" his pasture—hauling it in to cows in the barnyard—and credits it with going further and boosting his butterfat average.

"I had a herd average of 354 pounds of butterfat 2 years ago and it went up to 418 pounds last year," he said.

Luehmann, too, has been milking more cows, in addition to feeding pigs and steers.

"My dairy income gross rose \$3,000 from 1955 to 1956 and was up another \$3,000 from 1956 to 1957," he declared. "And I expect it to be up again this year."

Loken said: "It isn't costing me as much to produce milk today and I think a lot of it is in putting up better quality hay. We used a hay crimper last year and that, to me, is the answer to quality."

"As a result of better quality hay, I was able to cut down on buying concentrates and that made feed costs cheaper," he maintained.

Adds Loken: "Politics has put the spotlight on the farm program. We've got to try to hold our own, take the good with the bad, and we'll come out in the long run. We're in this business to stay. You can't quit dairying just because we lose a little in support prices."

But the smaller dairyman has been hard hit.

Some are going into beef raising. Others, like Clifford Klonecki, Arcadia, Wis., have off-the-farm jobs to help boost income. Klonecki milks 16 cows.

One of the big objections to the price support cut is heard from all sides: the farmer is taking less for his product but the city consumer still is paying just as much for a bottle of milk.

"But if we don't do something to cut the surplus, we'll continue to overproduce and have no market left," thinks Herman Zarling, Plainview, Minn.

Herman and his son, Archie, who operate a 50-50 partnership, were milking 48 cows 2 years ago. They switched over to loose housing and now are milking 72 and pointing to an 89-90-cow herd.

"We're milking more cows but our test went down one point, so our dairy income may not show much change for April," declared the elder Zarling. The Zarlings also raise Duroc hogs.

"I can't see how Benson or anyone else can figure lower supports will decrease production," argued Leonard Peck, Chippewa Falls, Wis. "If we have to milk more cows to make a living, we're going to do it. We have milked 36 but will go up to 42."

Peck said his dairy income began dropping in January. He produces about 1,500 pounds daily on grade A, got \$3.51 a hundred pounds in January, \$3.43 in February, \$3.35 in March and \$3.27 in April.

"That's a 24-cent drop since the first of the year," he said. "It means \$3.60 a day less or more than \$100 a month—almost enough to pay the cash wages of a hired man."

"If it wasn't for selling breeding stock, my standard of living would suffer," and Doornink, whose income comes from dairying but whose high producing Holsteins are in demand by other farmers.

Mr. HUMPHREY. Mr. President, next to the article which I have just placed in the RECORD is an article, the headline of which is "Seasonal Job Rise Lags 15,000." It is quite coincidental, is it not, that next to an article about the drop in farm income is an article which relates to an increase of 15,000 in unemployment? It so happens that there is a direct relationship.

One other point; then I shall let the Senator from Wisconsin proceed with his own discussion. The Senator has been very considerate.

Mr. PROXMIRE. The Senator from Minnesota has been helpful.

Mr. THYE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the senior Senator from Minnesota.

Mr. THYE. It was exactly the situation which has been alluded to by my colleague and the distinguished Senator from Wisconsin, and which I knew would come to pass, which caused me to try to place a rider on an appropriation bill, whereby the price of milk would be frozen at not less than \$3.25 a hundredweight to the producer. At that time I endeavored to have the rule suspended. Not many Senators voted with me on that day. Among those who supported my proposal was the junior Senator from Wisconsin. The yeas were 30 and the nays were 59.

It was then that we should have stopped any drop in the supports to the farmers. It was then that we should have acted. Now we are talking about something which happened yesterday. The farmers have lost a tremendous amount of money. The consumers have not received one fraction of a cent drop in the price of the milk they buy. No, indeed, they have not. I have statistics in my desk to which I shall refer at a later time. But Congress failed that day, March 11, when it had an opportunity to hold the price of milk at \$3.25. That was when we should have done it; not now. Now it is too late. That action was taken, and price supports were reduced, on April 1. If then we had suspended the rule and had adopted the amendment which would have frozen the price of milk at \$3.25 a hundredweight, as of March 11 of this year, today we would not be lamenting the fact that the farmers have suffered that loss and that the consumers did not receive any benefit from it.

Mr. HUMPHREY. Mr. President, will the Senator from Wisconsin yield to me?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from Wisconsin yield to the Senator from Minnesota?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. Let me say that the time to prevent the dairy income cut was before we hired Secretary Benson. What Secretary Benson and the administration did was to decide to reduce prices, under the fallacious theory that, by that means, production would be reduced. In



that respect, the administration is something like the old Bourbons; it never forgets anything, but it never learns anything. The administration continues to believe in the fallacious theory that if the price is reduced, production is reduced.

The truth is that if the amendment freezing price supports and acreage for 1 year had been adopted, and if the bill as thus amended had been signed by the President, and thus had become law—after the bill had been passed overwhelmingly by both Houses of Congress—this debate on the pending farm bill would be unnecessary, because that measure would have taken care of the price-support needs of the farm commodity producers.

But the President followed the advice of his Secretary of Agriculture and his other advisers; and my friends on the other side of the aisle were influential at the White House—for, after all, the present administration is a Republican administration. But they were unable to persuade the Secretary of Agriculture or the President to back up even an inch from their misguided program of reducing prices, under the fallacious theory that to do so would curb production. That is the truth of the situation, Mr. President.

Since we had no success in connection with that attempt, I suggest that now we adopt the amendment of the Senator from Wisconsin, which is backed by all the groups in the country which are producing agricultural commodities. For instance, I think the amendment of the Senator from Wisconsin is backed by the National Milk Producers Association.

Mr. PROXMIRE. That is correct. In fact, it is that association's proposal.

Mr. HUMPHREY. Furthermore, efforts to restore higher income to the dairy farmers is supported by the Legislatures of California, Kentucky, South Carolina, Mississippi, and Minnesota—to name only a few. In fact, I have before me the resolutions which have been adopted by some of those State legislatures.

The question now before us is—not what we should have done in March, April, or May—but what we are going to do now.

Mr. PROXMIRE. Exactly.

Mr. HUMPHREY. Now we have a chance to give the dairy farmers at least a reasonably fair share of the price paid in the market place for his products.

The Senator from Wisconsin has submitted an amendment which we discussed in the committee, and which has previously been discussed before hundreds of thousands of dairy farmers throughout the country; and the amendment has the support of the National Milk Producers Association, and it has my support.

Mr. PROXMIRE. The distinguished Senator from Minnesota is entirely correct.

The fact is that I supported the amendment of the senior Senator from Minnesota [Mr. THYE], as he has admitted. But, in that connection, it was necessary to obtain a two-thirds vote,

in order to suspend the rule, whereas a simple resolution could have been adopted by a simple majority vote. But I was happy to support that proposal then.

However, regardless of whether such action should have been taken at the time when Secretary Benson took office, or whether it should have been taken last March, now the Senate has an opportunity to act; and I believe that all Senators who support the dairy farmers should stand up and be counted in favor of this amendment.

Mr. THYE. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield.

Mr. THYE. What the farmer lost in the period between April 1 and the present time can never be retrieved. The Senator from Wisconsin has referred to what has been lost; so did my colleague [Mr. HUMPHREY]. But that loss can never be retrieved; it has been lost forever, so far as the dairy farmers are concerned.

As I have already stated, I have prepared statistics which show what the price of milk was, both in the case of fluid milk sold to consumers and in the case of milk in condensed form; and the statistics also show what the price has been in the case of processed products.

So we are faced with the fact that the dairy farmers suffered that loss; but the consumers did not gain as a result. At any rate, the loss has occurred, and what has been lost cannot be retrieved now.

Today, the Senate is in the process of legislating for tomorrow.

Mr. PROXMIRE. Exactly.

Of course, Mr. President, I agree that "The moving finger writes; and, having writ, moves on."

Of course we cannot rewrite what has happened.

As the junior Senator from Minnesota [Mr. HUMPHREY] pointed out, we have lost far more since Secretary Benson took office; and, unfortunately, we cannot retrieve that loss.

All we can do now is act now, tonight, as soon as possible.

If we act now, we shall save the dairy farmers 6 months' income, for, if we do not act now, the next opportunity Congress will have to act will be—at the very earliest—next January.

Mr. THYE. Mr. President, if the Senator from Wisconsin will yield further to me, let me say that I wish to have printed at this point in the RECORD a table of statistics I have compiled. The table indicates the price of milk per quart to the consumer in May 1957 and in May 1958, after the reduction in price supports. The average price received by the dairy farmer during those corresponding months is given. The figures speak for themselves.

Mr. PROXMIRE. I shall be delighted to have that done, Mr. President.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

|                                                     | May<br>1957 | May<br>1958 |
|-----------------------------------------------------|-------------|-------------|
| Average prices received by farmers (wholesale)..... | \$3.84      | \$3.77      |
| Retail:                                             |             |             |
| Milk, fresh, homogenized vitamin D:                 |             |             |
| Grocery.....quarts.....                             | .228        | .233        |
| Delivered.....do.....                               | .244        | .248        |
| Ice cream.....pints.....                            | .294        | .297        |
| Butter.....pounds.....                              | .740        | .736        |
| Cheese, American process.....do.....                | .574        | .580        |
| Milk, evaporated, 14½-ounce can.....                | .145        | .151        |

Source: BLS, United States average.

Mr. PROXMIRE. Mr. President, the fact is that today the Nation has a Republican President and a Republican Secretary of Agriculture. Those gentlemen have been responsible for the farm policy, both since last March and, as a matter of fact, since January 20, 1953.

I believe the record shows very clearly how much the dairy farmers have lost since then. Furthermore, the amount which has been lost since last March has been multiplied many fold. However, I believe it is clear that if, at any time, the Secretary of Agriculture, Ezra Taft Benson, had wished to ask for a farm program which would have helped the farmers, a bill providing such a program would have been passed overwhelmingly by both Houses of Congress.

Mr. President, before I conclude, I wish to call attention to an article which appears in the current issue of Time magazine. I believe the article indicates a really powerful enemy of any good, adequate farm legislation for the benefit of the American people.

Mr. President, I am not one of the Democrats who deplore Time magazine. I think it does a splendid job in many ways. I believe that Henry Robinson Luce is a great man, and I am proud that both of us are alumni of the same university. I believe his magazine makes a big contribution in many ways. However, I think there are times when it is proper for a Senator to "blow the whistle" as regards any great magazine.

At this time I should like to read from the current issue of Time magazine, as follows:

With cash in his jeans, the United States farmer is turning into such a smart dresser that store clerks often cannot tell the difference between city and farm customers.

Mr. President, that is about as smug and snobbish and incorrect a statement as I have ever read.

I read further from the article:

His wife has already digested Vogue and the latest Paris fashions. Says Mrs. Nadean Reynolds, who had to park and walk eight blocks to her dress shop in Maryville, Mo. (population 6,834), last week: "I did not mind. The parking spaces were taken up by customers. A chemise among the cornstalks is not news any more."

Certainly that statement is not an accurate one, in the case of the typical American farmer's wife.

Mr. President, I am not very hungry; but I, personally, will eat an entire issue of Vogue magazine if more than 1 farm family out of 100 or if more than 1 farm wife out of 100 has even heard of Vogue magazine.



The article also states:

Cessna and cocktails: In the growing luxury market many a farmer is buying a plane, learning to fly as well as drive. Serving California's rich, irrigated Imperial Valley, an El Centro Cessna dealer reported that he had already sold 4 single-engined planes to farmers this year at prices from \$8,999 to \$15,000. A farm organization has put together \$1,590 grand tours of Europe for its members this summer. Says the proprietor of Knoust's Party Shop, in Phillipsburg, Mo. (population 170), noting that farmers are among his best customers for cocktail shakers, blenders, and bar glasses: "The farmer around here is an urbane host. The cocktail before dinner is as much a part of his way of life as it is in town."

Throughout the broad Farm Belt the United States farmer is determined to live as well as his city cousin. And he has the money to do it.

Mr. President, I submit that the facts are grossly, grievously, and tragically distorted. Unfortunately, this is the picture that millions and millions of Americans have of the United States farmer. It is just as unfair and just as distorted as the kind of picture the unfortunate people in Communist Russia have of this country. It is simply untrue.

Very recently I visited thousands and thousands of farms in Wisconsin. I have never been on a farm where a cocktail has been served. I have never—and this is perhaps a tribute to the Wisconsin housewife—seen a Wisconsin farmer's wife in a chemise. [Laughter.]

Heaven knows, I have never seen a real farmer who was able to buy a \$9,000 or a \$15,000 airplane. This story is just a plain myth. It is true that even in Wisconsin there are a very few rich farmers. Do you know, Mr. President, where those farmers come from? They come from Chicago. Their income is derived from corporate profits. It is based on industry. They come to Wisconsin and buy farms. Almost always they lose money on the farm, but they offset their losses on the farm against their other income. They are fine people and fine Americans and successful businessmen, and I admire and respect them, but they simply are not farmers.

What Mr. Henry Robinson Luce is talking about in the article is not the average farmer at all, because the farmer in Wisconsin, the farmer in Oklahoma, the farmer in Michigan, the farmer in Mississippi, certainly is not buying a \$15,000 plane, and going to Europe at \$1,590 a crack, and serving cocktails in his home. He is not doing it, because the statistics have demonstrated that the farm family has an average farm income of \$50 a week.

It was pointed out by the distinguished Senator from Missouri that the farm income in this country is 3½ percent of the national income, while farmers represent 12 percent of the population. That is why it is extremely hard for us to enact good farm legislation. The American people have an untrue and distorted picture of the American farmer.

Mr. President, I conclude my presentation on this amendment the way I started—by simply asking for fair play and full consideration by my colleagues in the Senate. I have been in the Senate but a short time, but I have developed

a great respect for my colleagues. I have never anywhere met a finer group of gentlemen than those in the Senate. They are fairminded, honest, and willing to go as far as they can.

I should again like to call attention, as I did yesterday, to the great speech delivered by the illustrious Senator from Georgia [Mr. RUSSELL] last March. At that time the Senator from Georgia said:

I wish to be perfectly frank with the Senator as to why I ask my questions. This procedure appears to be a very nice way to split the agricultural interests of the country into pieces. It appears to be a very nice way to place us in a position where we cannot ever get any general farm legislation. If we follow this practice of a single resolution embracing all the commodities, and then take up for consideration and pass a nearly identical resolution for a specific commodity, in a separate piece of legislation—

A little later he said:

It seems to me important that we have had one record vote. What we are trying to do now, Mr. President, appears to be dangerous. The only reason I consider it to be worth while to bring the matter to the attention of the Senate is that I feel this procedure simply gives a number of Senators an opportunity to eat their cake and have it, too. They can vote against the general farm bill and can go back and tell their constituents, "Oh, I voted against that general farm bill which would have kept prices up." But they can also go to the only agricultural industry they have in their States, to the dairy farmers, and say, "I helped to have passed the bill for you to raise your prices and hold them up."

The Senator can go into the city the same night and make a speech setting forth that he fought against increasing all agricultural price supports.

The Senator from Georgia continued as follows:

I think if we are going to follow this kind of policy simply to give some Senators an opportunity to eat their cake and have it, too, we are planting a seed which will completely destroy any hope of enacting any general farm legislation.

Finally, he said:

Indeed that may well be. Not only that, it will tear the groups which should be interested in agriculture to pieces. Every Senator knows that, as a general proposition, one agricultural commodity does not have sufficient strength to secure passage of general legislation by the Senate.

That is exactly the issue, and that is exactly the problem before the Senate. The dairy farmer has been forgotten. This is dump dairy legislation, unless the Senate, with its sense of fairness and consistency, acts to save the dairy farmer by putting him back in the bill.

It has been said if that is done the Secretary of Agriculture will persuade the President to veto the bill. I do not think that is true. How can the President possibly veto a bill because of a provision which will relieve the taxpayer of a tremendous load? How can the President possibly veto a bill which will protect the consumer and at the same time enormously help the farmer?

As the Senator from Minnesota stated, every dairy producer organization enthusiastically and overwhelmingly supports this proposal, asks for it, and pleads for it. Every other segment of American agricultural life is

protected by this proposed legislation. All I ask is that the Senate give the proposal its careful consideration.

I yield the floor.

#### THE SITUATION IN THE MIDDLE EAST

During the delivery of Mr. PROXMIRE's speech,

Mr. JAVITS. Mr. President, the reply of the President of the United States to Mr. Khrushchev, the Chairman of the Council of Ministers of the U. S. S. R., has just come to hand. It was released at 2 o'clock this afternoon.

The President of the United States has made a reply which should hearten all who feared a superficial summit meeting on the Near East. From the President's reply it is obviously our purpose to deal with the whole problem of Middle East tensions, including the incitements to rebellion and assassinations, news of which has been carried over the radios of Cairo and Damascus, and which are as lethal as armed rebellion within those countries through the shipment of arms across their frontiers. It includes also blockade and boycott and the refusal to do anything about resettling the Arab refugees. It includes, as well, the continued intransigence in terms of Arab-Israel relations, and many other problems. Whatever may be said about the past history of our Mideast relations, we are now at long last proceeding with decisiveness and willingness to take risks.

I believe the American people have backed the troop landings, and have backed them with their eyes open, because they want greater results than merely the election of a new President in Lebanon.

The President shows that he understands this, too, and that, having gone so far and taken such great risks, he did not propose to have superficial solutions.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks the President's reply to Mr. Khrushchev, and also the lead editorial entitled "Approach to the Summit," published in the New York Times today.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,

July 25, 1958.

DEAR MR. CHAIRMAN: I have studied your letter of July 23. I find in it apparent misunderstandings of the views expressed in my letter of July 22, which I would request you to read again more carefully.

I then said that if, despite the facts established in the recent meetings of the Security Council, your Government still desires to allege that the situation in Lebanon constitutes an imminent danger to peace in the Middle East, the proper forum for appropriate discussion is the United Nations Security Council. I am glad that you now recognize the responsibility of the United Nations and have withdrawn your original proposal which would have gravely undermined the prestige and authority of the United Nations.

My letter pointed out that the Charter of the United Nations authorizes members of government, and that of course includes heads of government and foreign ministers, to represent a member nation at the Secur-



pared for us. I think he has presented not only a challenging thesis, but one as to which I believe there is a great measure of agreement. It seems to me that from well informed, although possibly divergent, points of view, we seem to have come to an agreement that this is the kind of analysis needed. I certainly wish to join in the remarks of the Senator from Montana, and I shall continue any efforts I can exert toward the establishment of an effective policy.

Mr. COOPER. Mr. President, I address myself to the subject just discussed by my distinguished colleagues, for it is the most important issue before the United States and the world today.

I am pleased that those who have spoken have supported the position of the President expressed in his note to Premier Khrushchev of the U. S. S. R. The President expressed the readiness of the United States for a summit meeting, but stated precisely that it must be held within the structure and rules of the United Nations. The United Nations is adequate for the purpose of such a meeting. The Security Council has the power and the duty to fix the agenda. As a member of the Security Council, the United States would have the opportunity to make proposals regarding the agenda. The Security Council also, under the charter of the United Nations, has the power and the duty to invite countries whose interests are specially affected, to participate in the discussions of the Security Council but without the right of vote.

Whatever may have been the views of Members of this body concerning the sending of troops to Lebanon, we now deal with the new issues. We should—and I know we will, without question—give our support to the President and the Secretary of State in the work they do, the plans they make, now and during their participation in the summit conference which will be held.

I have no fears about our participation. The President, if he attends, and the Secretary of State will present well and strongly, the position of the United States.

We can recall the summit conference in 1955. History may record it a failure. But if so, it was because the Soviet Union broke the commitments it made at the meeting. The President of the United States made proposals at that meeting which had wide acceptance and gave hope to the world. If the proposals, which the Soviets accepted in principle, had been carried out a start would have been made toward peaceful settlement and disarmament.

I remember the statement of a foreign correspondent attending the meeting. He said that President Eisenhower "not only went to the summit, but that he pulled everyone else up with him." At the summit meeting to be held, the President and the Secretary of State will present well the position of the United States.

Whatever may have been the disagreements, whatever may have been the affirmative steps or the mistakes of the past—the situation in the Middle East—gloomy and fraught with danger as it is, has now brought to an issue the real

causes of danger in the Mideast. The United States has the opportunity to take steps to ask the United Nations and Russia, if Russia is sincere, to come to grips at last with the basic issues which are the real causes of trouble in the Middle East.

I hope that our Government will seize this chance as a great opportunity, to propose settlement, and I believe it will. Among other things, we could ask the United Nations to establish a means of controlling the traffic in arms in the troubled area. We should address to the attention of the United Nations the necessity of reaching some solution of the Arab-Israeli problem. And this will require concessions on the part of both Israel and the Arab States. We can recognize the movement for Arab unity, and at the same time ask the United Nations to establish observers to dissuade attacks against the integrity and sovereignty of independent nations. We are given a chance to propose plans for development of the Middle East area for its refugees, in which all countries could join if they were moved to do so.

However difficult the situation has been, and is, in the Middle East, we are required now to come to grips with the problems. I hope and believe that our administration will approach the summit meeting wholeheartedly, and will in an affirmative way lay before the United Nations and before the opinion of the world constructive proposals. For these basic issues must be settled if there is to be peace in the Middle East and perhaps peace in the world.

Mr. MORTON. Mr. President, I should like to associate myself with the statements of my colleague from Kentucky, who in his remarks referred to the summit conference of 1955. I do not think we should forget that conference, or forget the fact that our Government and its representatives, the President of the United States and those with him, showed great initiative at that time. The failure of that conference, as was so well pointed out by my colleague, if it was a failure—and I am afraid it was—was because the Soviet Union did not live up to its commitments.

I remember that the conference in 1955 took place at the time when our distinguished majority leader was in the hospital, after suffering a severe heart attack. When the President made his proposal at the conference for inspection by overflying, I reported that fact, as an officer of the Department of State, to the acting majority leader who suggested that I go to see the majority leader at the hospital and report to him in person, which I did. I believe I was the first official visitor the majority leader had, outside his own family and his circle of intimate friends. The majority leader, from his hospital bed, dictated a statement which was in a few minutes read on the floor of the Senate. As soon as the news came over the ticker that the President had made the proposal, the majority leader supported the proposal and the American people supported it.

I commend the majority leader now for what he did then, and for what I am sure he will always do in the future.

Mr. JOHNSON of Texas. Mr. President, I thank my friend for his generous exaggeration of my participation. I appreciate his remarks.

#### AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. WILEY. Mr. President, I am reminded of the preacher who said that after 15 minutes of talk no conversions are made. I am sure if we applied that rule on the Senate floor more Senators would talk briefly and we would get more pearls of wisdom during the few minutes they spoke.

This particular farm bill makes no provision for the dairy industry. For a good many years, being a dairy farmer myself, I have sensed the problems of the dairy industry. This year we in Wisconsin are producing about 18 billion pounds of milk. But the situation is not so bad as it would appear, because different items go into the cost of the production of milk—the cost of labor, the cost of machinery, and particularly the cost of feed. Prices are down. Farmers who produce milk and who are supplementing their income my raising hogs and beef are getting good prices. Neither beef nor pork has supports. But with 18 billion pounds of milk, with millions of people in this country who need milk and milk products, the issue cannot be met head on by legislation. It has got to be met by increased consumption. It has got to be met by better distribution.

I, along with other Senators, cosponsored the particular amendment which my colleague has offered when it was introduced some time ago as a separate bill. I did so far the reason that we have tried legislative methods, and this is a new method. Perhaps it has possibilities. Anyway, the fact is that in many instances farmers are not receiving prices to equal the cost of production. Fortunately, because the cost of feed has gone down, and because those who had money were able, a few months ago, when a buyers' market existed, to buy machinery at reduced prices, the situation has been helped considerably. The cost of labor has not been reduced.

Mr. President, we know that the Senate Committee on Agriculture and Forestry, prior to reporting the bill to the Senate, considered amendments such as the amendment we are now considering. The amendment, which is now offered restates in substance the amendment which was rejected once before. I am not happy about it being rejected, but I am happy to know that perhaps we shall be able to give the Senate an opportunity to accept the amendment.

We definitely need to adopt a sound dairy provision to strengthen this farm bill. Will this provision do that? Only the future can tell.

We are discussing a new venture, what we might call a new process for handling a great volume of milk. The proposal suggests what I think is the practical thing to be done. The State of Wisconsin, the farm agencies and



others have to put on a sales program for what I think is nature's great product, milk—and cheese and butter, and so on. If this proposal is successful the children in the cities will be able to have these wonderful food products in abundance, and we will not be troubled with a surplus; we will not have storehouses filled with cheese and dried milk. We have tried to use legislative methods to effectuate a remedy, but in my opinion we will never alleviate present distressing conditions in that manner. We must have a better distribution and a further utilization of these products.

On other occasions on the floor of the Senate I have stated what I mean by further utilization. This is the age of chemistry. This is the age when we are exploring the unknown. An ordinary salesman got the idea that a certain proportion of the protein in cheese could be used to make candy. Some time ago I distributed to each Senator a box of such candy, which consisted of 40 percent processed Swiss cheese. That was a new venture in utilization, and to me that is the kind of thing which will open the door to enterprising people in our State particularly, but also elsewhere, to utilize nature's best product.

Then we could have proper distribution. There must be other means for distribution, as we have found to be true in the case of corn. There are 1,001 uses for corn. We can find in the constituents of milk the same such utilization.

Mr. LANGER. The same is true with respect to soybeans.

Mr. WILEY. My distinguished friend from North Dakota suggests what we have been doing with soybeans is also applicable.

If this amendment is adopted, and we take the proper steps, we can supplement the procedures with adventures into utilization and salesmanship and distribution, and I think we will find the answer.

We should put the dairy picture in perspective. Senators will recall that the cost of the dairy price support program amounted to \$115 million in 1957. I am, of course, aware that the Department of Agriculture has a somewhat higher figure for all dairy programs. Comparatively speaking, however, \$115 million amounts to less than 2 percent of the estimated \$6 billion farm budget for 1959.

I wish to say something about that matter. I think men of ingenuity, men of vision, and men who realize the hugeness of the problem can solve it. We will have to devote particular study to it. It is estimated that the bill, if passed, will cost a billion dollars.

Down through the years since I have been a Member of this body, there has been little venturing forth to discover new remedies and new solutions. We have realized the problems, but generally speaking, we have done nothing further than accept them. We do this because of the vast amount of production in different lines.

I could refer to the needs of the world and undernourished millions of the world, and the lack of distribution in

that direction. But again I say that what is needed is a diagnosis. Let us explore what can be done. The basis of such exploration, of course, must be the preservation of our system and the preservation of the economic health of the producers. The producers must never be forgotten, because they are not to blame for the situation.

Mr. President, in view of the significant contribution dairying is making to the economy and to the Nation's health, I believe it is completely justifiable to support the amendment. We are aware, of course, that often there are severe but unjustified criticisms made that the farmer, including the dairyman, is growing rich at the expense of the consumer. I know that is all "hokum." I believe, as was stated by the distinguished senior Senator from Minnesota [Mr. THYE], that while dairymen's milk prices have gone down the consumers have not received any benefit from the process. Another thing we should study is the cost of distribution, to see that the producer is not "taken for a ride."

For example, the average prices received by dairy farmers during April, the first month of operation after the dairy price supports regrettably were dropped to 75 percent of parity, were less than farmers received in April of last year. However, the average price to the consumer rose from 24.6 cents to 25.3 cents per quart. I think that is the figure the distinguished senior Senator from Minnesota was looking for but could not find.

Mr. THYE. I have the information in my hand now.

Mr. WILEY. This relates to the absolutely unjustified accusation that the farmer is getting a benefit from the rise in consumer prices. Actually, the increase in food prices results from the higher costs of labor, transportation and taxes. The farmer personally, however, frequently gets less and less, instead of more.

If the amendment is agreed to, it will be an adventure into a new field. It will represent a quest for something new. While I put my name on the bill, which has been offered as an amendment, some of those who supported it originally are not supporting it now. Exactly why I do not know. Apparently they feel it does not represent the solution. Be that as it may, we cannot stand still. We must do something.

As we consider the bill to which the amendment is to be attached, if it is agreed to, we must face the fact that the farm bill, S. 4071, is a piece of special commodity legislation for cotton, rice, corn and the feed grains. If benefit is to be extended to those agricultural commodities, I do not know why it should not be extended to milk and milk products.

In my humble opinion, this is something which requires the most earnest consideration of all of us. I am happy to say these few words to support my distinguished associate's position.

Mr. AIKEN. Mr. President, as has been said, the substance of the amendment proposed by the Senator from Wisconsin [Mr. PROXMIRE] has already been

before the Committee on Agriculture and Forestry of the Senate this year, and that committee did not see fit to report it to the Senate.

I give credit to those who prepared the proposal, but their efforts have not been wholly successful up to date in producing a satisfactory piece of legislation, even if one approves the general idea behind it.

The proposal respecting milk and dairy products is against the interests of dairy farmers. It would create a milk monopoly by giving to a nongovernmental group unlimited power to tax dairy farmers, and to restrict production by taxing excess production out of existence.

It is estimated that during the first year of operation it would increase fluid milk prices to the consumer about 2 cents a quart, butter prices about 10 cents a pound and other dairy product prices to a comparable degree. It would mean that farmers or the Federal Government would have to arrange for costs of between one-half and one billion dollars over and above what would be taken in from increased prices to consumers for milk and dairy products.

The milk marketing quota system proposed by the amendment is completely objectionable. I believe every organization in my section of the country is opposed to it, and some of the organizations which previously supported this proposal have since changed their position.

Dairy farmers do not want cow quotas or milk production quotas. We tried that system once in New England, and we do not wish to have to try it again. It penalizes the efficient dairyman.

This amendment would give an independent Federal Dairy Board complete monopoly control over the dairy industry without restraint or supervision by any appointive or elective official of the Government of the United States.

In the hearings on this proposal, a witness for one of the member cooperatives of the National Milk Producers Federation, testifying in opposition to it, pointed out that, in addition to the faults previously named, not only would the bill grant monopoly powers to a board, but that such board would be dominated by only five dairy cooperative associations.

For the sake of the dairy industry, and in the interest of maintaining price supports and expanding the dairy economy, this amendment should not be attached to the bill now before the Senate.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. PROXMIRE. It is the understanding of the Senator from Vermont that this amendment does not provide that the Board shall be appointed by the President of the United States?

Mr. AIKEN. I do not wish to go into detail on that question. As I say, when the proposal first was brought forward four of the dairy cooperative associations in my area supported it. They have all withdrawn their support.

I believe that the entire proposal must be pretty well rewritten. It was before us 2 or 3 years ago, and it was in worse



shape then than it is now. It has been revised. It has been improved somewhat, but it must be improved still further.

I have not been receiving very heavy pressure from even the original supporters, up until recently.

Mr. PROXMIRE. The Board, which would have administrative power, would be appointed by the President of the United States.

Mr. AIKEN. I understand.

Mr. PROXMIRE. But it would have a great deal of discretion.

Mr. AIKEN. Once appointed, it would have a great deal of discretionary authority.

Mr. ELLENDER. Mr. President, I shall not detain the Senate very long.

From time to time the Committee on Agriculture and Forestry has been holding hearings on this self-help milk program for the past 10 years.

As I recall, the original bill presented to us entailed an expenditure of approximately \$1 billion.

The Board which would administer the proposed act, as I understand it, would borrow funds from the Federal Government. Thus although the plan is called self-help, it is not. Rather, this program involves the use of Federal money, in the hope that it can do a better job than is being done by the current program.

As I have previously stated, the pending bill does not disturb the present milk program. Milk can be produced in unlimited quantities, and the support price ranges from 75 to 90 percent of parity under existing law. That is not changed.

Under the present price support program, the cost to the Commodity Credit Corporation on all basic commodities

from October 17, 1933, to May 31, 1958, was a total of \$2,186,751,084. This represents the entire cost of the program from its inception up to last May. However, we find that milk and milk products, alone, have cost the Commodity Credit Corporation \$1,718 million. In other words, under the program now in operation, milk has cost the Commodity Credit Corporation only some \$400 million less than the cost of the entire program.

Mr. President, I request unanimous consent that a table containing a detailed listing of realized gains and losses of the Commodity Credit Corporation during the period October 17, 1933, through May 31, 1958, be printed at this point in my remarks.

There being no objection, the table was ordered to be printed in the Record, as follows:

COMMODITY STABILIZATION SERVICE—COMMODITY CREDIT CORPORATION

Analysis of program results from Oct. 17, 1933, through May 31, 1958—Realized gains and losses

| Program and commodity                                                        | Oct. 17, 1933,<br>through<br>June 30,<br>1941 | July 1, 1941,<br>through<br>June 30,<br>1946 | July 1, 1946,<br>through<br>June 30,<br>1954 | Fiscal year ended June 30— |               |               | Fiscal year<br>1958 through<br>May 31,<br>1958 | Oct. 17, 1933,<br>through<br>May 31,<br>1958 |
|------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------|---------------|---------------|------------------------------------------------|----------------------------------------------|
|                                                                              |                                               |                                              |                                              | 1955                       | 1956          | 1957          |                                                |                                              |
| Price-support program (CCC nonrecourse loan, purchase and payment programs): |                                               |                                              |                                              |                            |               |               |                                                |                                              |
| Basic commodities:                                                           |                                               |                                              |                                              |                            |               |               |                                                |                                              |
| Corn.....                                                                    | \$20,078,488                                  | \$14,336,569                                 | \$116,998,130                                | \$75,735,525               | \$111,798,312 | \$247,092,987 | \$154,392,712                                  | \$740,432,723                                |
| Cornmeal.....                                                                |                                               |                                              |                                              | 11,700                     |               | 21,289,246    | 18,244,199                                     | 39,521,745                                   |
| Cotton:                                                                      |                                               |                                              |                                              |                            |               |               |                                                |                                              |
| Extra long staple.....                                                       |                                               |                                              |                                              |                            | \$4,057,852   | \$2,095,604   | 3,237                                          | \$6,150,219                                  |
| Upland.....                                                                  | \$27,401,798                                  | 218,328,306                                  | 75,496,201                                   | 821,088                    | \$62,266,400  | \$418,359,455 | \$273,177,178                                  | \$486,559,236                                |
| Export differential.....                                                     |                                               | \$27,651,360                                 | \$13,709,858                                 |                            |               |               |                                                | \$41,361,218                                 |
| Puerto Rican.....                                                            |                                               | \$126,011                                    | \$4,187                                      |                            |               |               |                                                | \$130,198                                    |
| Cotton-rubber barter.....                                                    |                                               | 11,055,451                                   |                                              |                            |               |               |                                                | 11,055,451                                   |
| Peanuts.....                                                                 |                                               |                                              | \$116,008,217                                | \$2,103,083                | \$9,249,991   | \$16,829,485  | \$10,926,380                                   | \$155,117,156                                |
| Rice.....                                                                    |                                               | \$891,308                                    | \$10,206,844                                 | \$18,915,334               | \$65,369,384  | \$14,491,827  | \$89,461,009                                   | \$141,361,218                                |
| Tobacco.....                                                                 | \$2,107,589                                   | 7,074,300                                    | \$4,281,268                                  | \$497,599                  | \$389,799     | \$170,262     | \$3,576,476                                    | \$3,848,693                                  |
| Wheat.....                                                                   | \$6,199,190                                   | \$11,775,173                                 | \$148,491,761                                | \$127,728,279              | \$99,775,441  | \$95,770,456  | \$42,223,653                                   | \$531,964,223                                |
| Wheat flour.....                                                             |                                               |                                              | 483,682                                      | 467,394                    | \$39,831,240  |               | \$64,379,951                                   | \$103,260,115                                |
| Total.....                                                                   | \$55,787,335                                  | 182,568,944                                  | \$324,888,528                                | \$194,541,172              | \$305,985,735 | \$906,708,119 | \$581,409,139                                  | \$2,186,751,084                              |
| Designated nonbasic commodities:                                             |                                               |                                              |                                              |                            |               |               |                                                |                                              |
| Honey.....                                                                   |                                               |                                              | \$862,126                                    | \$5,302                    | \$2,086       | 868           |                                                | \$868,646                                    |
| Milk and butterfat:                                                          |                                               |                                              |                                              |                            |               |               |                                                |                                              |
| Butter.....                                                                  |                                               |                                              | \$83,537,938                                 | \$173,314,388              | \$141,701,781 | \$24,090,761  | \$17,859,444                                   | \$440,504,312                                |
| Butter oil.....                                                              |                                               |                                              | \$895,422                                    | \$45,887,862               | \$72,937,691  | \$1,424,463   | \$49,346                                       | \$121,194,784                                |
| Cheese.....                                                                  |                                               |                                              | \$37,684,905                                 | \$76,107,510               | \$83,685,530  | \$77,945,245  | \$70,552,788                                   | \$345,975,978                                |
| Milk:                                                                        |                                               |                                              |                                              |                            |               |               |                                                |                                              |
| Dried.....                                                                   |                                               |                                              | \$145,120,162                                | \$117,784,928              | \$95,578,918  | \$110,489,224 | \$97,035,115                                   | \$566,008,347                                |
| Fluid.....                                                                   |                                               |                                              |                                              | \$26,530,588               | \$52,594,216  | \$72,927,625  | \$83,754,727                                   | \$240,807,156                                |
| Whey.....                                                                    |                                               |                                              |                                              | \$643,917                  | \$2,939,866   | 426           |                                                | \$3,584,209                                  |
| Subtotal.....                                                                |                                               |                                              | \$267,238,427                                | \$440,269,193              | \$449,438,002 | \$286,877,744 | \$274,251,420                                  | \$1,718,074,786                              |

<sup>1</sup> Loss.

Mr. ELLENDER. I do not believe so-called Federal Dairy Board, which would be created under the proposed amendment, could do a better job of regulating prices and supplies of dairy products, than has been done under the current program. Although the members of this Board would be appointed by the President, and I believe confirmed by the Senate, they would be empowered to fix prices on milk. In other words would be transferring legislative power, with the power to tax, if you please, to a 15-man Board. I do not believe anyone wishes to see that happen at this time.

On this particular amendment the Senate Committee on Agriculture and Forestry held hearings for 2 days. Copies of those hearings are on the desks of Senators.

This amendment is identical to S. 3125, the so-called self-help dairy bill, except that the authority of dairy

cooperatives to represent their members in elections or referendums under the act is not included in this amendment. The committee held 2 days hearings on S. 3125 on June 2 and 3, 1958, and those hearings are printed and available. The Department of Agriculture and the Department of Commerce have recommended against its enactment.

As I have stated, this amendment would create a Federal Dairy Stabilization Board, consisting of 15 milk producers or officers of dairy producer cooperatives or subsidiary organizations. The Board would have very broad powers. Its purpose would be to stabilize the price of milk and butterfat to producers at levels determined by it. It would be financed principally by loans from the Commodity Credit Corporation in an amount up to \$350 million outstanding at any one time and marketing assessments against producers

and importers. A marketing allotment program would be required whenever the assessment exceeded 25 cents per hundredweight. Commodity Credit Corporation's present and future inventories could not be disposed of in the ordinary channels of trade unless the Board should consent thereto. Each year the Board would transfer into Commodity Credit inventory surplus dairy products equivalent to the quantity of dairy products imported, plus the amount of increased production of milk and butterfat resulting from diversion from any other crop or commodity subject to Federal production control or regulation. Any losses sustained by the Board in connection with such surplus dairy products would be made good by Commodity Credit Corporation.

The price support level for the marketing year beginning April 1, 1959,



would be 90 percent of parity, and in the case of manufacturing milk, use of the method prescribed by the amendment would result in a support price about 31 cents higher than would the present method. On the basis of March 1958 parity prices the amendment provides a support for the 1959-60 marketing year of \$3.98 a hundredweight for manufacturing milk and 67.9 cents a pound for butterfat. Present support levels for the current marketing year are \$3.06 per hundredweight and 56.6 cents per pound. The program provided by the amendment would become effective only if approved by a majority of the producers voting in a referendum.

A few of the objections to the amendment are:

First. The wisdom of giving a board consisting of producers practically unlimited authority to fix support prices, determine assessments to be collected as taxes and automatically appropriated, borrow \$350 million of Commodity Credit Corporation funds, and exercise the other powers which would be given to the board is extremely questionable.

Second. Just as questionable are the provisions giving the board almost complete discretion in determining how much each producer may produce without penalty and in determining the amount of the penalty. These are matters which in the case of other commodities have received the most close and careful consideration by Congress.

Third. The surplus resulting from imports and from diversion from commodities subject to Federal regulatory programs would be turned over to Commodity Credit Corporation and locked up at its expense. The surplus attributable to diversion from other commodities can of course not be ascertained with any reasonable degree of certainty.

Fourth. In view of the substantial tax provisions of the amendment, it probably should originate in the House as a bill to raise revenue.

Other objections, as well as a more complete analysis of S. 3125, are set out in the report of the Departments of Agriculture and Commerce.

I yield the floor.

Mr. PROXMIRE. Mr. President, the Senator from Louisiana has made an excellent statement, and he made the best point in favor of the amendment I have heard today when he referred to the enormous subsidy being paid by the American taxpayers to support milk under the present program and to support dairy products under the present program.

He admitted that the cost of the proposed program would be \$350 million in interest-bearing loans, which is the best possible kind of investment that can be made, because the board is given all the powers in the world to repay the loans with interest to the Federal Government.

If we were to ask the American taxpayers: "What do you want to do? Do you want to continue to pay out a billion and a half dollars every 5 years for dairy production as an expenditure and as a total loss, or do you want to make an investment of \$350 million?" the answer, I am sure, would be very clear.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE] for himself and other Senators.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum and that at the conclusion of the quorum call the Senate proceed to vote on the pending amendment.

The PRESIDING OFFICER. Is there objection?

Mr. MUNDT. Mr. President, I cannot hear the Senator from Texas.

Mr. JOHNSON of Texas. I ask unanimous consent that I may suggest the absence of a quorum and that when it is obtained the Senate proceed to vote on the pending amendment.

Mr. MUNDT. Mr. President, before I acquiesce in the unanimous consent request, there are two things I should like to do. First, I call attention to the fact that at Brookings, S. Dak., during this week, on the campus of the State College, there is being held an international wheat surplus utilization conference. Senators who have been following the announcements on the ticker tape in the lobby have read the interesting recommendations which have come from the international conference and the statements by the various speakers participating in it.

The authorities at State College have been working on the establishment of the international wheat surplus utilization conference for more than a year, and it has attracted considerable international attention. As a South Dakotan I am highly gratified by the leadership the State Agricultural College is demonstrating in this important field, which embraces one of the great unsolved problems of agriculture, namely, what to do about surplus wheat production.

At this point in my remarks, Mr. President, I ask unanimous consent to have printed an address delivered by Don Paarlberg, Assistant Secretary of Agriculture, at the international wheat surplus utilization conference.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

#### SPECIAL WHEAT EXPORT PROGRAM—AN APPRAISAL OF EXPERIENCE

(Address by Don Paarlberg, Assistant Secretary of Agriculture, U. S. Department of Agriculture, Washington, D. C., at the International Wheat Surplus Utilization Conference, South Dakota State College, Brookings, S. Dak., July 23, 1958)

The Department of Agriculture welcomes this Surplus Utilization Conference. The problem you are dealing with is truly an international one. There is merit in holding a conference like this and there is special merit in holding it under the auspices of an educational institution. New views are needed, new ideas are called for. These are more likely to emerge from informal discussions at Brookings, S. Dak., than from instructed delegations conferring at Washington, D. C. We appreciate the leadership given to this effort by South Dakota State College and by Max Myers, recently director of your experiment station and now administrator of our Foreign Agricultural Service. We are happy that people from many coun-

tries are participating in this conference. We wish the conference every success, and we shall study your deliberations with care.

It is appropriate that, at this conference, we discuss the experiences of the United States in recent years in carrying out its own surplus disposal activities. Surely much can be learned from these experiences. I think it fortunate for the purpose of this conference that we have such actual experiences to draw from. It is my hope that during the course of these sessions, we can maintain a positive viewpoint—that our discussions may lead to improved measures for surplus disposal and utilization.

Our basic objective in surplus disposal has been to move United States surpluses of wheat in such a manner as to be of mutual benefit to both the United States and recipient countries while causing a minimum of disruption to normal world wheat trade patterns. On the whole, I feel that our efforts so far have met with considerable success.

Our special export programs—past, present, and prospective—are based on a fundamental proposition, sometimes expressed but more often implied. More wheat has been, now is, and for some time will be available for export than can be sold through regular commercial markets for American dollars at acceptable prices. Therefore, the need for some means of orderly utilization of these surpluses is likely to be with us for at least the next several years.

The inability of commercial markets to absorb all available wheat at prices which are considered acceptable is not a circumstance confined to the United States. The Committee on Commodity Problems of the Food and Agriculture Organization, at its session in Rome a month ago, described this as a worldwide problem, and enumerated these causes:

1. The continuing effect of postwar efforts, arising from what was then a time of scarcity, to grow more wheat.
2. Government programs to support wheat prices.
3. Technological progress, which has greatly increased yields.
4. Exceptionally favorable weather in some areas.

We face a dual task:

First, to bring our wheat economy into better balance and thereby reduce the need for Government controls of production and marketing.

Second, to use our abundant stocks of wheat in such a way as to speed economic development and better nutrition in the low-income countries, while protecting normal patterns of commercial trade.

My purpose is to discuss the second of these tasks, the utilization of our abundant stocks. But in doing so I want to make it clear that the first task, restoring balance, is very, very important.

In carrying out our special export programs, the United States has given particular attention to the development and expansion of cash markets for wheat. While we hope this expansion will benefit United States dollar sales, we recognize too that whatever progress is made along this line is almost sure to be of direct long-run benefit to other exporters as well.

Our pricing policy as related to export sales has been to protect rather than jeopardize the world wheat price structure, and to emphasize stability in preference to price cutting.

With reluctance and of necessity, this policy has involved the use of subsidies. During the period that Public Law 480 (the Agricultural Trade Development and Assistance Act) has been in existence, we have exported 545 million bushels for dollars as compared with the movement of 748 million bushels under the various authorities provided in Public Law 480 and an additional 199 million bush-



els under section 402 of the Mutual Security Act. During this period not a bushel of United States wheat has moved into export without some form of Government help. Our export pricing policy has contributed significantly to stability in dollar markets for wheat. For several years now the landed price of wheat in export markets has fluctuated within a range of about 40 cents per bushel, encountering neither the upper nor the lower price limit set under the International Wheat Agreement. When the effect of changing ocean freight rates is removed, the fluctuation has been even less—within a range of only about 20 cents per bushel.

Most of the wheat which moves under our special export programs goes to countries which lack the dollars with which to buy all the wheat they need. Sixty-five percent of the wheat exported under the various titles of Public Law 480 has gone to countries which also have received dollar aid from the United States Government. Clearly, these countries lack the foreign exchange to buy appreciable quantities of our wheat, or appreciable quantities of Canadian or Australian wheat. The wheat which moves through our special export outlets is programed in addition to normal commercial marketings. Our special export programs have reduced the stocks which hang over the market and have contributed to price stability. Both of these developments are in our interest and in the interest of all other wheat exporting countries.

Our special export programs for wheat during the 4 years of Public Law 480 have been substantial and varied. By categories, they have been as follows:

|                                                                                                   | Million bushels |
|---------------------------------------------------------------------------------------------------|-----------------|
| Sales for local currency (including sec. 402)-----                                                | 661             |
| Barter for strategic and critical materials-----                                                  | 207             |
| Donated to foreign governments for famine and other emergency relief-----                         | 50              |
| Donated to private relief programs and to private charitable organizations, an equivalent of----- | 30              |

As I indicated before, the total of 948 million bushels compares with 545 million bushels which moved for dollars during this period.

I said a moment ago that our wheat export policies have been helpful to the wheat-exporting countries. I believe that our policies have also been helpful to the wheat-importing countries, especially those countries which have received wheat through our special export programs. I shall attempt an appraisal of our experiences under each of the four types of export movement.

#### SALES FOR LOCAL CURRENCY

This is the largest, the most novel, and the most publicized of our special export programs. Under this program, the United States Government negotiates with other governments for the sale of wheat in exchange for local currencies. The wheat moves through commercial trade channels. The local currencies which are generated are used for many purposes. More than half of them are loaned back to the country which receives the wheat, to be used for economic development projects such as roads, irrigation projects, power projects, and so on.

The distinguishing features of this program are these: Distribution in the recipient country is through normal trade channels. The intended effect is capital formation as well as an increased current supply of food.

Recipient countries have two conflicting needs: To increase the import of capital goods from the industrialized countries, and to provide more consumer goods for their rapidly growing populations. In other words, they must strike a balance between their present and future needs.

In the Communist world, this conflict has generally been resolved by forced labor, forced savings, and forcibly depressed living standards.

Democratic governments cannot and should not resolve the conflict between the present and the future in a negative or oppressive way. Sales of wheat for local currency can, if successful, contribute to current living standards and, at the same time, aid capital formation for future production.

Experience to date has shown that sales of wheat for local currency can help raise the current level of living. Whether the program can be equally successful in aiding capital formation is not yet clear. Of the approximately \$1,400 million programed for loans under Public Law 480, less than \$300 million has thus far been disbursed. Disbursement has been slow because sales agreements have been negotiated ahead of project planning. Governments of underdeveloped countries generally have not planned a backlog of sound projects which can be pulled off the shelf. Much original thinking is first required. This takes time. Then, too, there is much competition between bureaus within a government for the funds available. Furthermore, under present procedures loans can be made only for specific projects agreed upon between the United States and the foreign country on a case-by-case basis. This takes time also.

An important feature of sales for local currency is the market development effect. By opening new outlets for wheat, new tastes, new habits, and new merchandising techniques are acquired. Certain of the local currencies are used for market promotion. Thus there is the prospect that over time important dollar markets can be developed for United States farm products, and also for the products of other exporting countries. This has already occurred to some degree for wheat in Japan and Korea. Wheatgrowers themselves, particularly through the Oregon Wheat Growers' League, have done an effective job of market promotion. Midwest wheatgrowers are cooperating in establishing market development offices in Europe and South America.

#### BARTER

Under the barter program, wheat is exchanged for strategic and other materials which are less costly to store and less subject to deterioration. The major idea of this program is that it is better to hold materials such as ferromanganese or chrome than to hold agricultural products like wheat. The program has gone through a number of administrative and legislative changes. A difficulty encountered in the early years was that bartered wheat tended to displace sales of wheat for dollars. The net result was that the United States acquired metals when we could have acquired dollars. This defect was corrected administratively, so that bartered wheat is now in addition to rather than in replacement of dollar sales. The scale of operations has been reduced as a result of this change and during the last year totaled about 7 million bushels of wheat.

Bartered wheat moves through the regular commercial channels in the recipient country. So far as the recipient country is concerned, the effect of wheat imports under the barter program is practically indistinguishable from dollar imports. To the United States the program now means a net addition to our export movement and the storing of metals rather than wheat. Problems involved in storing metals are less difficult than those concerned with storing wheat but they are still considerable.

#### DONATIONS TO FOREIGN GOVERNMENTS FOR FAMINE AND OTHER EMERGENCY RELIEF

When flood or famine strikes abroad, this Government makes grants to meet temporary

and emergency relief needs. The distinguishing features of these operations are:

They are government-to-government programs.

There is no compensation in dollars, local currencies, or materials.

By their nature, these programs clearly constitute additional takings beyond wheat which moves through commercial channels.

Government-to-government programs have been effective in meeting emergency needs, as in the case of wheat sent to Pakistan to relieve the effect of flood. The programs, however, do not provide a direct material return to the United States, nor do they directly aid capital formation in the recipient country. They have been and will continue to be helpful when disaster strikes.

#### DONATIONS TO PRIVATE RELIEF PROGRAMS OVERSEAS

These are the people-to-people relief programs operated through private charitable agencies such as Catholic Welfare Service, Church World Service, CARE, UNICEF, and like organizations.

In these programs the United States Government donates wheat and wheat flour to the charitable agencies and pays ocean freight to the recipient country. The agencies arrange for distribution, which is free, on the basis of need, without regard to race, religion, or political affiliation. Approximately 60 million people in 80 different countries are now receiving some food under this program. Wheat flour is a staple commodity.

This is called a people-to-people program because, in effect, the people of the United States through taxes are donating surplus foods to the people in other lands.

The program is large and has been growing. It gets food to those who lack money to buy all they need in the commercial markets and who therefore are not sufficiently helped by our sales for foreign currency. It helps get food to categories of people who, for one reason or another, are not well adapted to government-to-government programs. It is more closely associated with charity and less closely associated with foreign policy issues than are the government-to-government programs. The program has broad public support. A limiting feature is the restricted resources of the voluntary agencies. Large numbers of people are needed to distribute and effectively supervise so large and diverse an operation. If the resources of the agencies are overtaxed, waste results and food may spoil or go to unqualified recipients. This program does not use the regular commercial trade. It results in net additions to our export movement.

Viewed optimistically, these special export programs attack, with some degree of success, the twin problems of excess wheat-producing capacity in this country and great need abroad. They offer the hope that certain additional nations can move themselves out from under the shadow of the Malthusian doctrine. They offer a way of learning how to live with abundance. They are a means by which the underdeveloped nations of the free world may buy a thing they so desperately need—time. If the programs are successful, such a nation may lift its level of living and acquire needed capital within a system involving a democratic government and an enterprise economy. With large areas of the world hesitating between free institutions and governments patterned after the Soviet model, this is a matter which surely is important and may be critical.

These programs are also a means by which we in this country can buy time, to get our agriculture into better balance.

I do not wish to overlook saying, on the other hand, that there are grave dangers associated with our special export programs. To some, these dangers appear more per-



suasive than the favorable aspects I have just cited.

Suppose these programs do buy time for the making of needed adjustments at home and abroad; the required adjustments may not be made. The continuation of special export programs may provide a rationale for postponing needed adjustments in prices and production. Why make needed changes in wheat legislation if Public Law 480 can be used to move the surpluses? Why improve production techniques abroad if the needed food can be obtained on a concessionary basis from the United States?

There is the question as to how our special export programs might be withdrawn, and what effects this would cause among recipient nations if for some good reason it became necessary to terminate them. Are we overcommitting the United States? If, while supplying wheat under special-export programs we should fail to help recipient governments to lift their own levels of producing sufficiently, we might then have acquired a large permanent relief load. This would not be permanently helpful either to the nation which gives or to the nation which receives. The hazard is made the greater by the tremendous increase in human population, which in the low-income countries of the free world may rise during the next 5 years by as much as 100 million people.

Finally, we must also ask the question as to how much surplus can actually be distributed abroad without seriously jeopardizing normal commercial trade patterns.

These are all dangers that we must be watchful for and which we must not lose sight of during the course of these particular sessions.

A fair verdict might be that after 4 years of large-scale surplus disposal activity by the United States, neither the highest hopes nor the worst fears have been realized. On the whole, the experience seems to have worked out much better than most people had expected.

Certainly what we have done is not as good as it might have been. Certainly there is room for improvement. I know no better way to improve our programs than to have them examined afresh by knowledgeable persons, ready to listen and free to speak. That is the purpose of this conference. We need, and the world needs, the best counsel you can devise.

Mr. MUNDT. Mr. President, with regard to the amendment now pending before the Senate, sponsored by the Senator from Wisconsin, it is very similar and in many respects identical with the so-called dairy self-help program which I introduced in earlier sessions of Congress.

Personally, I would have much preferred that this interesting and somewhat complicated piece of proposed legislation be presented to the Senate on its own power, so to speak, as a separate piece of proposed legislation, so that it might be more carefully considered and more clearly analyzed.

However, I believe it is something which would be a forward step in the direction of solving the dairy problems of our States. I shall vote in favor of the amendment, and I urge my colleagues to do likewise.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement in support of the wool amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR LANGER

It was a source of keen regret to me that even nine Senators voted against the wool amendment introduced by my distinguished colleague, Senator YOUNG, which passed by such an overwhelming vote. I simply want to say to those opposed to farm legislation; that is, folks who have been crying about co-operatives, that the North Dakota wool pool is perhaps as well run as any cooperative in the Northwest. Businessmen like Heinie Wildfang, of Sterling; Carl Strutz, of Jamestown; Ray Gress, of Dickinson; and others have been its president, while the general manager, A. C. Bjerken, is one of the outstanding businessmen of the State. These men are all interested in farming and some of them and their predecessors have lived on farms all their lives and, under their able direction, the wool pool has handled millions of pounds of wool to the satisfaction of nearly 14,000 farmers in the pool.

Two years ago it was my pleasure to accompany Ray Gress to the meeting attended by the growers and the Boston, Mass., handlers of wool, put on by the Department of Agriculture, and by far the ablest speech given on that occasion was given by Mr. Gress, and the enthusiastic applause that followed his remarks showed that all of those present recognized the great capacity of this able man in discussing the problems of the wool growers in the northwestern part of this country. Under their leadership and with the advice of an advisory committee made up of scores upon scores of wool producers, they have maintained a record that I believe is unequalled in any other State. These men were enthusiastically behind the wool pool and truly represented the thousands of producers in their letters and telegrams to the committee and to the Senators.

As long as we have these kinds of men and producers who have the good sense to select them and work with them, this country is entirely safe from communism, or as one distinguished Senator on the floor said, socialism.

This getting together of producers to get a fair price for their product and legislation here in Washington is no more socialistic than the operation of the post office; the REA; or the development of waterways, and I want you all to know that I am proud to be the friend of those officers and members of the North Dakota wool pool; and I will put up their Americanism and their anti-socialistic and anticommunistic feelings against those of any Member upon this floor. These men are good, fine, honest, God-fearing citizens. Some of their sons volunteered for the service to defend America and they have held aloft the flag which represents liberty, freedom of speech, and all the other good things of which we as loyal Americans are so justly proud.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement proposed by the Senator from Texas [Mr. JOHNSON]? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

|             |              |                 |
|-------------|--------------|-----------------|
| Aiken       | Cotton       | Humphrey        |
| Anderson    | Curtis       | Ives            |
| Barrett     | Dirksen      | Jackson         |
| Beall       | Douglas      | Javits          |
| Bennett     | Dworshak     | Jenner          |
| Bible       | Eastland     | Johnson, Tex.   |
| Bricker     | Ellender     | Johnston, S. C. |
| Bush        | Ervin        | Jordan          |
| Butler      | Fulbright    | Kefauver        |
| Byrd        | Goldwater    | Kennedy         |
| Capehart    | Gore         | Kerr            |
| Case, N. J. | Green        | Knowland        |
| Chavez      | Hayden       | Kuchel          |
| Church      | Hickenlooper | Langer          |
| Clark       | Hill         | Lausche         |
| Cooper      | Hruska       | Long            |

Magnuson  
Malone  
Mansfield  
Martin, Iowa  
McNamara  
Monroney  
Morse  
Morton  
Mundt  
Neuberger

Pastore  
Proxmire  
Purtell  
Robertson  
Russell  
Saltonstall  
Schoeppel  
Smith, Maine  
Smith, N. J.  
Sparkman

Stennis  
Symington  
Talmadge  
Thurmond  
Thye  
Watkins  
Wiley  
Williams  
Young

The PRESIDING OFFICER (Mr. TALMADGE in the chair). A quorum is present.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Do I understand correctly that the yeas and nays have been ordered on the Proxmire amendment?

The PRESIDING OFFICER. The Senator from Texas is correct.

The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from Missouri [Mr. HENNING], the Senator from Florida [Mr. HOLLAND], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate attending the 49th Congress of International Parliamentary Union at Rio de Janeiro, Brazil.

The Senator from Arkansas [Mr. McCLELLAN] is absent because of a death in the family.

On the vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Colorado [Mr. CARROLL] would vote "yea", and the Senator from Colorado [Mr. ALLOTT] would vote "nay."

The Senator from Delaware [Mr. FREAR] is paired with the Senator from Missouri [Mr. HENNING]. If present and voting, the Senator from Delaware would vote "nay," and the Senator from Missouri would vote "yea."

The Senator from Florida [Mr. HOLLAND] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Florida would vote "nay," and the Senator from Montana would vote "yea."

I further announce that if present and voting, the Senator from Florida [Mr. SMATHERS] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from South Dakota [Mr. CASE] and the Senator from West Virginia [Mr. HOBLITZELL] are absent because of official business having been appointed by the Vice President to attend the 49th Congress of the Interparliamentary Union in Rio de Janeiro.

The Senator from Colorado [Mr. ALLOTT] is absent because of illness.

The Senator from Vermont [Mr. FLANDERS], the Senator from Pennsylvania [Mr. MARTIN], the Senator from



Maine [Mr. PAYNE] and the Senator from Michigan [Mr. POTTER] are necessarily absent.

The Senator from Kansas [Mr. CARLSON], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from West Virginia [Mr. REVERCOMB] are detained on official business.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from West Virginia [Mr. HOBLITZELL], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Maine [Mr. PAYNE], and the Senator from Michigan [Mr. POTTER] would each vote "nay."

On this vote, the senior Senator from Colorado [Mr. ALLOTT] is paired with the junior Senator from Colorado [Mr. CARROLL].

If present and voting, the senior Senator from Colorado would vote "nay," and the junior Senator from Colorado would vote "yea."

The result was announced—yeas 20, nays 57, as follows:

## YEAS—20

|                 |           |           |
|-----------------|-----------|-----------|
| Church          | Kerr      | Mundt     |
| Clark           | Langer    | Neuberger |
| Douglas         | Magnuson  | Proxmire  |
| Humphrey        | Mansfield | Symington |
| Jackson         | McNamara  | Thye      |
| Johnston, S. C. | Monroney  | Wiley     |
| Kennedy         | Morse     |           |

## NAYS—57

|             |               |              |
|-------------|---------------|--------------|
| Aiken       | Ellender      | Long         |
| Anderson    | Ervin         | Malone       |
| Barrett     | Fulbright     | Martin, Iowa |
| Beall       | Goldwater     | Morton       |
| Bennett     | Gore          | Pastore      |
| Bible       | Green         | Purtell      |
| Bricker     | Hayden        | Robertson    |
| Bush        | Hickenlooper  | Russell      |
| Butler      | Hill          | Saltonstall  |
| Byrd        | Hruska        | Schoeppel    |
| Capehart    | Ives          | Smith, Maine |
| Case, N. J. | Javits        | Smith, N. J. |
| Chavez      | Jenner        | Sparkman     |
| Cooper      | Johnson, Tex. | Stennis      |
| Cotton      | Jordan        | Talmadge     |
| Curtis      | Kefauver      | Thurmond     |
| Dirksen     | Knowland      | Watkins      |
| Dworshak    | Kuchel        | Williams     |
| Eastland    | Lausche       | Young        |

## NOT VOTING—19

|               |             |            |
|---------------|-------------|------------|
| Allott        | Hennings    | Payne      |
| Bridges       | Hoblitzell  | Potter     |
| Carlson       | Holland     | Revercomb  |
| Carroll       | Martin, Pa. | Smathers   |
| Case, S. Dak. | McClellan   | Yarborough |
| Flanders      | Murray      |            |
| Frear         | O'Mahoney   |            |

So Mr. PROXMIRE's amendment was rejected.

Mr. SYMINGTON. Mr. President, I submit an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 5, in line 16, after the word "pound," it is proposed to strike out the period and to add the following: "or 60 per centum of the parity price therefor, whichever is higher."

On page 18, in line 18, after the word "hundredweight," it is proposed to strike out the period and to add the following: "or 60 per centum of the parity price therefor, whichever is higher."

The PRESIDING OFFICER. The unanimous-consent agreement is in effect; and the time available on the amendment is to be equally divided. One hour is available.

The Senator from Missouri [Mr. SYMINGTON] is in control of 30 minutes of the time.

Mr. SYMINGTON. Mr. President—

The PRESIDING OFFICER. How much time does the Senator from Missouri desire to yield to himself?

Mr. SYMINGTON. I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 3 minutes.

Mr. SYMINGTON. Mr. President, at the close of yesterday's session I offered an amendment to S. 4071. The purpose of the amendment was to maintain the principle of parity with respect to the cotton program contained in the bill.

The amendment provided that, beginning with the 1961 cotton crop, price support would be available, as determined by the Secretary, but not less than 65 percent of parity.

Because of misunderstanding, I withdrew my amendment, so that it might be perfected for later introduction.

I now offer an amendment which would amend the existing provisions of the law so as to add to the 30 cents per pound floor a minimum price support at 60 percent of parity.

With my amendment, beginning with the 1961 crop, cotton would be supported at 90 percent of the preceding 3-year average price, but not less than 30 cents per pound, or 60 percent of the parity price, whichever is higher.

Mr. President, I would offer the amendment with a minimum price support at 65 percent of parity, but have been told that such a figure would surely be vetoed; and it is vital that we increase cotton acreage, provided we do not abandon the parity concept, and therefore can look forward to better times.

Mr. President, with respect to rice, beginning with the 1961 crop, the level of price support would be at 90 percent of the preceding 3-year average price, but not less than \$4 per hundredweight, or 60 percent of parity, whichever is higher.

This amendment would serve as notice that the Senate desires to maintain the parity concept—the basis of our farm programs for over a quarter of a century.

I urge my colleagues who believe in this principle of purchasing power to support this amendment.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to the able Senator from Minnesota.

Mr. HUMPHREY. I am sure it is well recognized that both the Senator from Missouri and the junior Senator from Minnesota believe that the price-support program needs to be substantially more effective and prices need to be substantially higher than are being proposed in the bill.

What the amendment does, as I understand it, and as I believe our colleagues, indeed, understand it, is to write into the bill a continuation of the parity principle and the concept of parity prices and parity income which have been in the agricultural policies of the Congress since 1933.

The Senator from Missouri will recall that yesterday we had quite an ex-

tended discussion in the Senate about the fact that the pending bill, without the amendment of the Senator from Missouri, would repeal the parity concept and the parity principle. Regardless of what the percentage of parity may be, regardless of whether price supports are flexible in terms of parity or firm, fixed price supports in terms of parity, the important issue and the principle at stake here is the parity principle and the parity concept.

I am happy to associate myself with the Senator from Missouri in his worthwhile and, may I say, very important effort to reestablish the parity principle in the proposed legislation.

The PRESIDING OFFICER. The Senator from Missouri yielded himself 3 minutes. That time has expired.

Mr. SYMINGTON. Mr. President, I yield myself 5 more minutes.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 5 additional minutes.

Mr. HUMPHREY. The effort is to establish the principle of parity income and parity prices for farm producers and agricultural commodities. That is the purpose of the amendment.

I have discussed the amendment privately with many of our colleagues, as has the Senator from Missouri. I think it should be adopted. I believe it will add considerable meaning and strength to the bill.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to the Senator from Mississippi, but first I express my deep appreciation for the remarks of the Senator from Minnesota.

Mr. President, in the past 5 years the percentage of the national income received by the American farmer, as against the total national income, has been reduced nearly 50 percent—from 6 percent to 3½ percent. In that same period family farm purchasing power declined 24 percent. This decline would have been even more disastrous if we had not had the parity concept in our farm legislation.

If Senators who voted for a minimum wage law, as I did, should now come to the floor of the Senate and say they do not approve of a minimum wage law, that would very much influence my position with respect to parity. If Senators who believed there should be a tariff on the products of a particular industry should come to the floor and say they are now opposed to tariffs, that might well influence my feelings about some support for the farmer. But if we are going to support banking and business with tariffs, accelerated amortization, and many other supports, including direct supports, and if we are going to support labor by means of a minimum wage law, under which the minimum returns to a workingman are far greater than the returns to the farmer, it is incredible to me that the Senate today should follow the recommendations of the Department of Agriculture and put the American farmer entirely subject to the laws of supply and demand; letting prices search their own level without supports of any kind. That



is exactly where we shall be next year with regard to corn; and, in 3 years, with regard to cotton, if we abandon the long-standing parity concept in farm legislation.

Now I am glad to yield to the able Senator from Mississippi.

Mr. EASTLAND. Mr. President, I have no questions. I understand the Senator is attempting to preserve the parity concept, with which we all agree. I think the amendment should be adopted.

Mr. HUMPHREY. Mr. President, will the Senator yield to me, so that I may submit for the RECORD a statement on this particular amendment?

Mr. SYMINGTON. I shall be glad to yield, but first thank the Senator from Mississippi, an able expert on the cotton situation, for his remarks about this amendment.

I now yield to the Senator from Minnesota, and then yield back the remainder of my time.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement on the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY  
RESTORING THE PARITY CONCEPT

This amendment preserves the parity concept in the cotton and rice program for the future. The bill before us repudiates the parity principle. Therefore this amendment is of vital importance.

Nothing is changed in the cotton and rice program as proposed in the bill for 1959 and 1960. Nothing is changed in the acreage or price provisions.

All that is changed is to use a parity figure as the floor for supports in 1961 and subsequent years—thus the parity principle is preserved.

Instead of setting the support level at just the misleading 90 percent of the 3-year average market-price figure which abandons the parity concept, the amendment provides that the Secretary shall have as a floor for the support level not less than 60 percent of the parity price.

The committee bill before the Senate already has a floor for 1961 and future years but set in dollar and cent terms at \$4 per hundredweight for rice and 30 cents a pound for cotton. This amendment would merely make that floor in terms of a parity percentage, with a fixed dollar figure as an extra safeguard.

Already, the chairman of the House committee has said he would endeavor to get out a farm bill if it preserved the parity concept instead of shifting to the 90 percent of the 3-year average market price. It would be an idle gesture for the Senate to insist on the opposite direction, when there is a real chance of getting a bill with the parity concept in it.

Remember, there is no recommendation from this administration in the record of our hearings favoring the shift to 90 percent of the free market price. All that Secretary Benson asked was a level of parity. That is what this amendment offers him. He certainly cannot justify a veto if we give him what he asked—instead of what he now apparently prefers behind the scenes without public commitment.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to the Senator from North Dakota.

Mr. LANGER. The farmers have no better or more able friend fighting for them than the distinguished Senator from Missouri. I have received letters time and again asking why, if labor can have a minimum-wage law, the farmers should not have the same kind of benefit. I think the letters bear pretty well on the thinking of my distinguished friend from Missouri. I shall be glad to support the amendment.

Mr. SYMINGTON. I am very grateful for the remarks made by the distinguished senior Senator from North Dakota, who has devoted so much of his life to the betterment of the condition of the farmers of America.

Mr. President, I yield back the remainder of my time.

Mr. JOHNSON of Texas. I yield back the remainder of my time.

Mr. KNOWLAND. Mr. President, I yield to the Senator from Minnesota [Mr. THYE].

Mr. THYE. I should like to have 5 minutes on the bill. I am not going to speak on the amendment.

Mr. KNOWLAND. I wonder if the Senator from Minnesota will permit a vote on the pending amendment first. Then I shall immediately thereafter yield him 5 minutes.

Mr. THYE. Very well.

The PRESIDING OFFICER. The Senator from Texas and the Senator from Missouri both having yielded back their time, the question is on agreeing to the amendment of the Senator from Missouri [Mr. SYMINGTON].

The amendment was agreed to.

Mr. HUMPHREY. Mr. President—  
The PRESIDING OFFICER. The Senator from Minnesota.

Mr. KNOWLAND. Mr. President—

Mr. HUMPHREY. I yield to the Senator from California.

Mr. KNOWLAND. I had promised to yield 5 minutes to the senior Senator from Minnesota [Mr. THYE].

Mr. HUMPHREY. First let me call up my amendment identified as 7-23-58-E.

Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with, but that it be printed in the RECORD at this point.

There being no objection, Mr. HUMPHREY's amendment was ordered to be printed in the RECORD, as follows:

On page 16, beginning with line 5, strike out through line 16 on page 17 and substitute in lieu thereof the following:

"TITLE II—FEED GRAINS

"National and farm feed grain bases

"SEC. 201. The Agricultural Adjustment Act of 1938, as amended, is amended by redesignating part II of subtitle B of title III as Acreage allotments and base acreages—Feed grains' and by adding at the end of such part the following new section:

"National and farm feed grain bases

"SEC. 330. (a) Notwithstanding any other provision of law, acreage allotments and a commercial corn-producing area shall not be established for the 1959, 1960, and 1961 crops of corn.

"(b) The Secretary shall establish for each farm producing corn or grain sorghums (hereinafter called "primary feed grains") in the United States a primary feed grain farm base for 1959, 1960, and 1961. The Secretary shall also establish for each farm

producing oats, rye, or barley (hereinafter called "secondary feed grains"), in the United States, a secondary feed grain farm base for 1959, 1960, and 1961. The national feed grain base for primary feed grains and secondary feed grains, respectively, shall be the average acreage of such feed grains (planted and diverted), during the years 1956, 1957, and 1958. The national feed grain base for primary feed grains and secondary feed grains, respectively, shall be apportioned by the Secretary among the States, counties, and farms on the basis of the acreage of such feed grains (planted and diverted) during the years 1956, 1957, and 1958, with adjustments for abnormal weather conditions. Any acreage of corn which has been diverted to secondary feed grains during the years 1956, 1957, and 1958 shall be included in determining the acreage of primary feed grains, and shall be excluded in determining the acreage of secondary feed grains.

"Price support

"SEC. 202. Title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 104. (a) Notwithstanding the provisions of section 101 of this act, for each of the 1959, 1960, and 1961 crops of feed grains, the Secretary of Agriculture is directed to offer the operator of each farm for which a feed grain base is established under section 330 (b) of the Agricultural Adjustment Act of 1938, as amended, a choice of (A) reducing both his primary feed grains and secondary feed grains below his primary and secondary feed grain bases, respectively, by not less than 20 percent of each such feed grain base, and receiving price support for corn at 85 percent of the parity price therefor, and price support for grain sorghums, oats, rye, and barley, at such level as the Secretary of Agriculture determines is fair and reasonable in relation to price support at 85 percent of parity for corn, taking into consideration the feeding value of such commodity in relation to corn, the normal price relationship between such commodity and corn, the location and storability of the commodity, and other relevant factors, or (B) no acreage controls and price support for corn at 90 percent of the average price received by farmers during the 3 calendar years immediately preceding the calendar year in which the marketing year for the crop begins, adjusted to offset the effect on such price of any abnormal quantities of low-grade corn marketed during any of such years but not less than \$1.10 per bushel; and price support for grain sorghums, oats, rye, and barley at such level not less than 60 percent of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, the normal price relationship between such commodity and corn, the location and storability of the commodity, and other relevant factors. To be eligible for price support as provided in choice (A), the producer must devote an acreage of eligible land to the conservation reserve program equal to 20 percent of such producer's primary feed grain farm base and secondary feed grain farm base. Any person operating more than one farm in order to be eligible for choice (A), must elect choice (A) for all farms for which he is operator and must comply with the requirements of choice (A) with respect to all such farms in order to be eligible for the higher price support on any farm. The Secretary may accept the producer's certification as proof of compliance. A producer who elects choice (A) but fails to comply with the requirements of choice (A) with respect to any farm shall be eligible for price support as though he had elected choice (B).



Not later than January 31, the Secretary shall determine and announce on the basis of his estimate of the supply percentage and the parity price as of the beginning of the marketing year, the price support level for producers who elect choice (A) and choice (B), respectively, and such price support levels shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee), of each farm for which a feed grain farm base is established under section 330 (b) of the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative levels of price support available for his farm. The operator of each farm shall, within the time prescribed by the Secretary, notify the county committee in writing whether he desires the level of price support prescribed in choice (A) to be effective for the farm. If the operator fails to so notify the county committee, within the time prescribed, he shall be deemed to have chosen the price support level prescribed in choice (B). The choice elected by the operator shall apply to all the producers on the farm. If a producer who elects choice (A) reduces his primary feed grains below his primary feed grain base by an acreage greater than 20 percent of his primary feed grain base, he may increase his acreage of secondary feed grains by a corresponding number of acres.

"(b) For each of the 1959, 1960, and 1961 crops of feed grains, price support shall be made available to producers who elect choice (A) through a purchase program. Price support shall be made available to producers who elect choice (B) through loans, purchases, or other operations.

"(c) The Commodity Credit Corporation is directed, during the period beginning October 1, 1959, and ending September 30, 1962, to offer primary or secondary feed grains owned by it for sale for unrestricted use at not less than 5 percent above the current level of price support prescribed in choice (B) plus reasonable carrying charges.

"(d) The Secretary of Agriculture is directed, notwithstanding the date specified in section 109 of the Soil Bank Act, as the final date for entering into conservation reserve contracts, and notwithstanding any monetary limitations on the scope of the conservation reserve program, to make available conservation reserve contracts to any producer who elects choice (A). Producers who elect choice (A), shall be compensated for participating in the conservation reserve program (1) in cash, or (2) at the option of the producer, through negotiable certificates, which the Commodity Credit Corporation shall redeem in corn, grain sorghums, oats, rye, and barley, in accordance with regulations prescribed by the Secretary: *Provided*, That if the Commodity Credit Corporation does not have sufficient stocks of such grains, or if it is not practicable to redeem such certificates in such grains, the certificates shall be redeemed with cash."

Mr. HUMPHREY. Mr. President, I yield 5 minutes to my colleague from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota yields 5 minutes to his colleague.

Mr. THYE. Mr. President, the vote on the self-help plan for dairying was 20 to 57. There were 20 votes in favor of the amendment and 57 votes against the amendment, so it is quite evident there is going to be no help for the dairy producers of this land.

Last March 11, Mr. President, I endeavored to have the rule suspended so

as to make possible the placing of a rider on an appropriation bill, which would have to be passed, for the purpose of freezing the price supports on dairy products at not less than \$3.25 a hundredweight. My effort to suspend the rule lost. The vote was 30 in favor of suspension of the rule and 59 against.

I stated at that time we had then lost any opportunity to protect the dairy farmers of this land. That was our only chance. The dairy farmers lost, although the consumer did not get any benefit from the drop in the price paid the farmers for the milk.

Let me state the facts for the Senate. The average price received by the farmer at wholesale as of May 1957, was \$3.84 per hundredweight. As of May 1958, the wholesale price was \$3.77, or a drop of 7 cents a hundredweight.

If Senators will check the statistics further, they will find that fresh milk at the grocery, per quart, as of May 1957, was selling at 22.8 cents and as of May 1958, was selling at 23.3 cents. In other words, the price of fresh milk was up even though the support price was down 25 cents a hundredweight.

Fresh milk delivered per quart as of May 1957, was 24.4 cents. In May of 1958 it had gone up four-tenths of a cent, even though the support price to the farmer had dropped 25 cents a hundredweight.

The same situation was true with respect to ice cream.

Butter was the only item, among the dairy products, as to which there was a saving for the consumer, and that was four-tenths of 1 cent.

In May of 1957 cheese, American process, was selling at 57.4 cents, and in May of 1958 it was selling at 58 cents. In other words, there was a price increase of six-tenths of 1 cent.

Mr. President, I stated last March that if the price were dropped for the farmers there would not be a reflection of any saving for the consumers. That statement has been borne out by the facts in the months since the action was taken by the Secretary of Agriculture which effected a drop of 25 cents a hundredweight in the support price for milk.

When we take a look at the prices paid by one of the largest cooperatives in the Northwest, the Twin City Milk Producers Association of St. Paul-Minneapolis, we find that in January of 1958 grade A milk was selling at \$3.42. In April of 1958, the price for grade A milk was \$3.34. As of May 1958, the grade A milk price was \$3.22. Senators will note that the price dropped from \$3.34 as of April to \$3.22 as of May, only 1 month later, and that the price had dropped from a January 1958 price of \$3.42 to a May price of \$3.22.

If we take another look at the prices in June of 1958, we find that the price of grade A milk was down to \$3.20. The price dropped steadily each of the months from January on.

I have in my hand an article from the Washington Post and Times Herald,

published July 17, 1958, entitled "Milk Price Rise Starts in Area."

The article starts out by saying:

A half-cent rise in the quart price of delivered milk is in prospect for Washington area consumers.

Mr. President, I ask unanimous consent that the article be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### MILK PRICE RISE STARTS IN AREA

A half-cent rise in the quart price of delivered milk is in prospect for Washington area consumers, as at least one leading supplier has made the new price effective. Spokesmen for others admitted yesterday it was under consideration.

A spokesman for the Chestnut Farms Division, National Dairy Products, said it adopted the increase Tuesday.

William Hooper, manager of Embassy Dairy and secretary-treasurer of the Washington and Virginia Milk Producers Association, said Embassy was still examining production figures which indicated Embassy would soon follow the Chestnut Farms lead.

The Chestnut Farms spokesman said rising production costs had figured in the decision to boost the quart price. He explained that last April suppliers passed along to the consumer a producers' 1-cent reduction which did not quite amount to a cent, and the retailers had been absorbing that difference.

He said it was unfair to blame the price rise on a new wage scale for union dairy drivers and plant workers which became effective last week.

The price of regular homogenized milk, delivered thrice weekly to homes by Chestnut farms, became 26½ cents per quart.

For a small group of consumers, the adjustment will amount to a 1-cent per quart boost, a spokesman for the industry explained. Fewer than 2 percent of home-delivered customers are single quart buyers, and even for them the bill is figured on a weekly or monthly basis.

Stores, of course, cannot split a cent, so for the casual buyer of a quart of milk, the new price will amount to a 1-cent increase, the spokesman explained.

Mr. THYE. Mr. President, I stated last March 11 that if we wanted to help the dairy farmers then was the time to act to freeze the price of milk, because if we did not do so and the price paid the producer went down there would be no saving for the consumer. The facts and evidence are in. The consumer did not benefit from the action taken. The producer lost. It is a most unfortunate thing that such a drop in price occurred.

We have been fighting today for the dairy farmer, and what have we succeeded in accomplishing? The self-help plan, which has been advocated for years, lost by a vote of 57 against the amendment and a vote of only 20 for the amendment.

Mr. President, it is a sad state of affairs when the farmer has to lose and the consumer does not benefit, even though the price of milk to the farmers goes off 25 cents a hundredweight.

Mr. President, I ask unanimous consent that the charts to which I have referred be printed in the RECORD.



There being no objection, the charts were ordered to be printed in the RECORD, as follows:

|                                                                   | May 1957 | May 1958 |
|-------------------------------------------------------------------|----------|----------|
| Average prices received by farmers (wholesale) <sup>1</sup> ----- | \$3.84   | \$3.77   |
| Retail <sup>2</sup> (United States average):                      |          |          |
| Milk, fresh, homogenized vitamin D:                               |          |          |
| Grocery-----quart                                                 | .228     | .233     |
| Delivered-----do                                                  | .244     | .248     |
| Ice cream-----pint                                                | .294     | .297     |
| Butter-----pound                                                  | .740     | .736     |
| Cheese, American process-----do                                   | .574     | .580     |
| Milk, evaporated 14½-ounce can                                    | .145     | .151     |

<sup>1</sup> USDA.

<sup>2</sup> BLS.

#### MILK PRICE FOR JANUARY 1958

January paying prices for 3.5 percent base milk are:

|                      | Grade A | Grade AA |
|----------------------|---------|----------|
| Grade A and AA milk: |         |          |
| Twin Cities-----     | \$3.42  | \$3.52   |
| Farmington-----      | 3.32    | 3.42     |
| River Falls-----     | 3.31    | 3.41     |

The paying prices for excess and manufacturing grades are:

|                                             |        |
|---------------------------------------------|--------|
| Grade A excess milk at all plants-----      | \$3.14 |
| Manufacturing No. 1 milk at all plants----- | 3.08   |
| Manufacturing No. 2 milk at all plants----- | 2.99   |

The price per point for milk testing above or below 3.5 percent will be 7.2 cents.

#### MILK PRICE FOR APRIL 1958

April paying prices for 3.5 percent base milk are:

|                      | Grade A | Grade AA |
|----------------------|---------|----------|
| Grade A and AA milk: |         |          |
| Twin Cities-----     | \$3.34  | \$3.44   |
| Farmington-----      | 3.24    | 3.34     |
| River Falls-----     | 3.23    | 3.33     |

The paying prices for excess and manufacturing grades are:

|                                             |        |
|---------------------------------------------|--------|
| Grade A excess milk at all plants-----      | \$3.02 |
| Manufacturing No. 1 milk at all plants----- | 2.96   |
| Manufacturing No. 2 milk at all plants----- | 2.87   |

The price per point for milk testing above or below 3.5 percent will be 7 cents.

#### MILK PRICE FOR MAY 1958

May paying prices for 3.5 percent base milk are:

|                      | Grade A | Grade AA |
|----------------------|---------|----------|
| Grade A and AA milk: |         |          |
| Twin Cities-----     | \$3.22  | \$3.32   |
| Farmington-----      | 3.12    | 3.22     |
| River Falls-----     | 3.11    | 3.21     |

The paying prices for excess and manufacturing grades are:

|                                             |        |
|---------------------------------------------|--------|
| Grade A excess milk at all plants-----      | \$2.92 |
| Manufacturing No. 1 milk at all plants----- | 2.86   |
| Manufacturing No. 2 milk at all plants----- | 2.77   |

The price per point for milk testing above or below 3.5 percent will be 7 cents.

#### MILK PRICE FOR JUNE 1958

June paying prices for 3.5 percent base milk are:

|                      | Grade A | Grade AA |
|----------------------|---------|----------|
| Grade A and AA milk: |         |          |
| Twin Cities-----     | \$3.20  | \$3.30   |
| Farmington-----      | 3.10    | 3.20     |
| River Falls-----     | 3.09    | 3.19     |

The paying prices for excess and manufacturing grades are:

|                                             |        |
|---------------------------------------------|--------|
| Grade A excess milk at all plants-----      | \$2.91 |
| Manufacturing No. 1 milk at all plants----- | 2.85   |
| Manufacturing No. 2 milk at all plants----- | 2.76   |

The price per point for milk testing above or below 3.5 percent will be 7 cents.

Mr. THYE. I thank the Senator for yielding to me. I yield back my time I may have remaining.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may yield to the Senator from Mississippi [Mr. STENNIS] so that the Senator from Mississippi may call up an amendment in his own time. The Senator from Mississippi has waited a considerable time and feels he has a relatively noncontroversial amendment to present.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I thank the Senator from Minnesota.

Mr. President, I call up my amendment 7-14-58-C, offered on behalf of myself and the senior Senator from Mississippi [Mr. EASTLAND].

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 7, beginning with the comma in line 12, it is proposed to strike out down through "1958" in line 15.

On page 7, line 8, strike out "(except section 344 (k))."

Mr. STENNIS. Mr. President, the added part of the amendment is purely technical with relation to another line in the bill, to perfect the bill if the first part of the amendment shall be agreed to.

Mr. President, the amendment would not provide any additional cotton acreage. The amendment deals exclusively with cotton acreage and exclusively with the allotment of the national cotton acreage to the States.

The bill as presented to the Senate provides for what we call a freeze of the acreage at the State level based upon the 1958 acreage as a percentage basis. The amendment would merely strike out the language of the bill under consideration on page 7, beginning on line 12:

and the national acreage allotment for each such year shall be apportioned among the States in the same proportion that they shared in the national acreage allotment in 1958.

The amendment would strike out those lines. The effect of the amendment would be to restore the present law.

The net effect of the amendment now offered would be to provide that the present law shall continue to operate for the United States in the future, and it is permanent law on that subject.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Arizona.

Mr. HAYDEN. Those who testified said they were satisfied with the operation of the present law and did not want to have it changed, but that they were fearful the bill as reported would change existing law. As I understand the amendment offered by the distinguished Senator from Mississippi, it would leave the matter as it now is in existing law, and would not make any change.

Mr. STENNIS. The sole effect of the amendment would be to continue the operation of the present law without any change.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I wish to associate myself with what the Senator from Mississippi has said. The people of my State are satisfied with the present law as it now affects the distribution of cotton acreage. I certainly hope the Senate will accept the amendment offered by the Senator from Mississippi.

Mr. STENNIS. I thank the Senator.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. ANDERSON. Will the Senator explain what the effect of this amendment would be on the 1959 crop, for example? Has the Senator a table showing what each State would gain and what each State would lose?

Mr. STENNIS. The operation of the present law, based upon a 5-year history, shows differences from year to year in the total planted acreage. There have been some fluctuations in each State allotment. That is true under the operation of the present law, and that has been going on for years. Next year there will be some change in the operation of the law for 1959. That is what the Senator's question is based upon.

Next year, 1959, the State of Alabama will gain back 1,919 acres it previously lost. Under the terms of the bill as now written it would be prevented from gaining back those 1,919 acres. The operation of the amendment would merely allow it to gain back the 1,919 acres which it has earned under the operation of the present law.

Mr. ANDERSON. The Senator from Mississippi is trying to preserve the flexibility which would allow the trend to continue in the cotton acreage throughout the years.

Mr. STENNIS. That would be the effect of the amendment offered.

Mr. ANDERSON. Some acreage might be lost by a State this year, but would be gained back in subsequent years because of the trend.

Mr. STENNIS. That is correct.



Mr. ANDERSON. That is the principle we have been trying to establish for many years.

Mr. STENNIS. The trend is stabilizing, and it is thought it will stabilize to a greater extent in future years.

Mr. ANDERSON. As the bill stands, it would freeze the relationship of cotton acreages among the States forever.

Mr. STENNIS. Yes.

Mr. ANDERSON. This amendment would fit the 1958 pattern, and allow the trend to take effect in subsequent years, so as to bring about a gain or a loss.

Mr. STENNIS. That is correct. That would be the effect of the amendment. It would merely restore the present law.

Mr. ELLENDER. Mr. President, I am informed that the Department of Agriculture favors this amendment, which restores the method of distributing the national cotton acreage each year. The committee sought to base it upon the year 1958. The distinguished Senator from New Mexico is entirely correct in saying that the method incorporated in the bill would freeze the

acreage, and would not take into account the trend. The restoration of the original language would take into consideration the trend.

Mr. President, I ask unanimous consent that at this point in the RECORD a full explanation of Senator STENNIS' amendment be printed.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

This amendment would strike out the provision requiring the national allotment to be apportioned among the States in the same proportion they shared in the national acreage allotment in 1958. If this amendment should be adopted the national allotment would be apportioned among the States, as presently provided in section 344 (b) of the Agricultural Adjustment Act of 1938, as amended, on the basis of a moving 5-year average of acreages planted to cotton in the States, thus recognizing trends in cotton production among the States. Since cotton has been subject to marketing quotas since 1954 and since acreage planted in excess of acreage allotments is not counted in computing acreage allotments, there should be no trend toward increasing

acreage in any area. The amendment would therefore give effect to trends which occurred 5 years ago as a result of the imposition of marketing quotas. By dropping the years when quotas were not in effect, the formula which would be in effect if this amendment were adopted would reverse the trend which occurred when there were no quotas. It would give effect only to trends imposed by quotas, which in turn have been based on plantings during an earlier 5-year period. The provision which would be stricken was intended to give some stability to allotments, so that farmers, gins, and other persons engaged in the cotton trade could plan and adjust their plant accordingly, rather than be subject to contraction and expansion as acreage allotments shift from State to State in response to the dropping from the allotment formula of the acreage history of 1952 and 1953.

Mr. ELLENDER. Mr. President, I also ask to place in the RECORD a table showing the distribution of the acreage.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Acreage distribution by State under S. 4071*

|                  | Proportional share of 1958 allotment <sup>1</sup> | Loss or gain compared to acreage based on history | Additional acres for 10-acre small farms <sup>1</sup> | Total loss or gain under the bill |                     | Proportional share of 1958 allotment <sup>1</sup> | Loss or gain compared to acreage based on history | Additional acres for 10-acre small farms <sup>1</sup> | Total loss or gain under the bill |
|------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------------------------------|-----------------------------------|---------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------------------------------|-----------------------------------|
| Alabama.....     | 940,506                                           | -1,911                                            | +41,180                                               | +39,269                           | Nevada.....         | 2,343                                             | +12                                               | +12                                                   |                                   |
| Arizona.....     | 337,967                                           | +7,659                                            | +670                                                  | +8,329                            | New Mexico.....     | 169,317                                           | -1,245                                            | +702                                                  | -543                              |
| Arkansas.....    | 1,293,667                                         | -34,285                                           | +11,092                                               | -23,193                           | North Carolina..... | 441,374                                           | +723                                              | +29,373                                               | +30,096                           |
| California.....  | 747,037                                           | +16,234                                           | +2,898                                                | +19,132                           | Oklahoma.....       | 734,784                                           | +3,006                                            | +15,666                                               | +18,672                           |
| Florida.....     | 34,412                                            | -81                                               | +3,146                                                | +3,065                            | South Carolina..... | 672,919                                           | +16                                               | +24,630                                               | +24,646                           |
| Georgia.....     | 823,822                                           | +7,939                                            | +32,541                                               | +40,480                           | Tennessee.....      | 529,686                                           | -5,229                                            | +17,288                                               | +12,059                           |
| Illinois.....    | 3,110                                             |                                                   | +32                                                   | +32                               | Texas.....          | 6,827,427                                         | +47,758                                           | +34,016                                               | +81,774                           |
| Kentucky.....    | 6,788                                             | -251                                              | +271                                                  | +20                               | Virginia.....       | 15,993                                            | -6                                                | +1,810                                                | +1,804                            |
| Louisiana.....   | 556,863                                           | -8,993                                            | +11,904                                               | +2,911                            |                     |                                                   |                                                   |                                                       |                                   |
| Mississippi..... | 1,515,379                                         | -22,668                                           | +29,529                                               | +6,861                            | United States.....  | 16,000,000                                        |                                                   | +259,049                                              |                                   |
| Missouri.....    | 346,568                                           | -8,666                                            | +2,289                                                | -6,377                            |                     |                                                   |                                                   |                                                       |                                   |

<sup>1</sup> Under provisions of S. 4071.

*Upland cotton: Number of farms with allotments 10 acres or less, number of allotment acres on such farms, and additional acres required to provide allotments in 1959 equal to 1958 allotments based on national allotment of 16,000,000 acres, with percentages*

| State            | Number of farms, 1959, 10 acres or less | Percent of total farms | Number of acres in 1958 | Percent of total allotment | Additional acres required in 1959 on 16 million base | State               | Number of farms, 1959, 10 acres or less | Percent of total farms | Number of acres in 1958 | Percent of total allotment | Additional acres required in 1959 on 16 million base |
|------------------|-----------------------------------------|------------------------|-------------------------|----------------------------|------------------------------------------------------|---------------------|-----------------------------------------|------------------------|-------------------------|----------------------------|------------------------------------------------------|
| Alabama.....     | 99,248                                  | 83.3                   | 446,497                 | 43.1                       | 41,180                                               | Nevada.....         | 4                                       | 20.0                   | 40                      | 1.2                        | 12                                                   |
| Arizona.....     | 1,112                                   | 27.9                   | 5,994                   | 1.6                        | 670                                                  | New Mexico.....     | 1,845                                   | 33.3                   | 9,134                   | 5.0                        | 702                                                  |
| Arkansas.....    | 36,203                                  | 58.0                   | 179,670                 | 12.7                       | 11,092                                               | North Carolina..... | 75,171                                  | 89.6                   | 266,358                 | 53.9                       | 29,373                                               |
| California.....  | 4,769                                   | 31.1                   | 23,760                  | 2.9                        | 2,898                                                | Oklahoma.....       | 24,402                                  | 52.9                   | 127,339                 | 15.4                       | 15,666                                               |
| Florida.....     | 8,239                                   | 94.6                   | 28,703                  | 74.2                       | 3,146                                                | South Carolina..... | 60,936                                  | 80.5                   | 262,967                 | 35.5                       | 24,630                                               |
| Georgia.....     | 66,138                                  | 76.9                   | 317,238                 | 35.0                       | 32,541                                               | Tennessee.....      | 48,571                                  | 78.3                   | 204,983                 | 35.2                       | 17,288                                               |
| Illinois.....    | 440                                     | 87.3                   | 1,673                   | 52.8                       | 32                                                   | Texas.....          | 66,320                                  | 32.8                   | 338,976                 | 4.5                        | 34,016                                               |
| Kentucky.....    | 1,107                                   | 93.8                   | 2,819                   | 36.2                       | 271                                                  | Virginia.....       | 6,260                                   | 98.0                   | 15,051                  | 82.9                       | 1,810                                                |
| Louisiana.....   | 33,640                                  | 73.6                   | 161,019                 | 26.4                       | 11,904                                               |                     |                                         |                        |                         |                            |                                                      |
| Mississippi..... | 86,930                                  | 77.5                   | 390,468                 | 23.5                       | 29,529                                               | United States.....  | 629,185                                 | 66.0                   | 2,819,648               | 16.0                       | 259,049                                              |
| Missouri.....    | 7,850                                   | 47.3                   | 36,959                  | 9.8                        | 2,289                                                |                     |                                         |                        |                         |                            |                                                      |

<sup>1</sup> Assumes using 1958 farm allotments as farm bases instead of 3-year average.

Mr. STENNIS. Mr. President, I think that presents the facts as to the operation of the amendment. Unless there are some questions, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Mississippi yields back the remainder of his time.

Mr. STENNIS. With the understanding that time will be yielded back on the other side.

Mr. KNOWLAND. I yield back any time on this side.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

The question is on agreeing to the amendment offered by the Senator from Mississippi [Mr. STENNIS].

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, returning to my amendment, I identify it as the feed grain amendment.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. HUMPHREY. I shall yield myself the full 30 minutes on the amendment. I may wish to yield some time to my colleagues, who may wish to inquire about it.

Mr. President, the feed grain provisions of the farm bill before us are grossly inadequate. In fact, these provisions are a step backward, instead of forward. The feed grains provisions would return our corn, sorghum grains, oats, rye, barley, and livestock producers to the same free market that brought disaster in the early thirties.

The feed grains provisions of this bill represent a repudiation of the entire parity concept upon which the farm programs fashioned by the Senate over the past 30 years have been based. The parity concept is completely discarded in



this proposal we are asked to approve.

The feed grain program embodied in this bill is simple enough to understand. It says clearly that corn shall be supported at level 10 percent below the average free market price of corn during the immediately preceding 3 years, but not less than \$1.10 per bushel. Sorghum grain and the other feed grains would be supported at a price-feeding value ratio equivalent to that of corn, but not less than 60 percent of parity.

Let us see what enactment of this provision would mean to feed grain and livestock producers; \$1.10 corn probably means 57-cent oats, 90-cent barley and \$1.96 per hundredweight for sorghum grain. These figures represent substantial reductions in support level from the programs that are in operation in 1958.

Mr. President, I ask unanimous consent for a table which compares the support prices projected under this bill with those that were in effect in 1952, in 1957, and in 1958, to be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Support price comparison*

| Commodity                             | Level of support in program in effect in— |        |        | Support level provided in committee bill |
|---------------------------------------|-------------------------------------------|--------|--------|------------------------------------------|
|                                       | 1952                                      | 1957   | 1958   |                                          |
| Corn, per bushel.....                 | \$1.60                                    | \$1.40 | \$1.36 | \$1.10                                   |
| Sorghum grain, per hundredweight..... | 2.38                                      | 1.86   | 1.83   | 1.96                                     |
| Barley, per bushel.....               | 1.22                                      | .95    | .93    | .90                                      |
| Oats, per bushel.....                 | .78                                       | .61    | .61    | .57                                      |
| Rye, per bushel.....                  | 1.42                                      | 1.18   | 1.10   | .95                                      |

Mr. HUMPHREY. Take barley, for example. Under the present law the barley support price is 93. Under the bill before us the support price of barley would be 90. Oats at present is 61 cents; in the bill before us it would be 57 cents. Rye is \$1.10; and in the bill before us it would be 95 cents.

I recognize that those figures do not seem large, but when we knock off as much as 15 cents a bushel on rye, 4 cents a bushel on oats, and even 3 cents a bushel on barley, we are cutting into farm income.

The proposed program, so far as corn is concerned, would be \$1.10. That is provided in the committee bill. The present support program for corn is \$1.36, so far as compliance corn is concerned.

The proposed program would not only mean a continuing reduction in the support levels for all the other feed grains as well as corn; it would also mean that a new and lower base level was being set for the market prices of hogs and cattle.

Few in this Senate would attempt to deny that over the period of the various livestock cycles, cheap feed grain prices will mean cheap cattle and hog prices. The latter follows the former as night the day. Assuming an average 12-to-1 ratio in hog-to-corn prices, an average

price of \$1.10 for corn, with other feed grains supported in relation to corn, would mean a cycle average price of hogs of about \$13 per hundredweight on the farm. Such prices for hogs would probably mean not more than \$13.60 per hundredweight for cattle, and \$14 per hundredweight for calves.

By any measure, these are depression prices as hog and cattle producers will be down here to tell us within a few months or years if we allow this recommended feed grains provision to go into effect.

Cheap feed grain supports will not only drive down the prices of hogs and cattle. Lower prices of feeds and large livestock will have an inevitable effect upon the price of poultry meat, which has been held up relatively well in recent months by the reduced market supply of beef and pork that has resulted from growers holding back stock from market to build up foundation herds that were depleted in past years by economic conditions and a long 7-year drought in the great Southwest.

Lower prices for cattle and hogs not only reduces the income of hog and poultry meat producers it also has a time-bomb effect in placing pressure on dairy farmers' income from two sources. A sizable share of a dairy farmer's income comes from the sale of surplus animals for beef. Lower beef prices reduce dairy farm income directly through lower cattle prices, and indirectly by adding still further surplus milk production from culls that are not sold at the depression-low beef cattle prices. Moreover, increasing market supplies of beef, pork, and poultry meat at lower and lower prices has a similar disastrous effect upon the demand for the cheese price component of the manufacturing milk prices received by farmers.

Lowering of feed grain price supports starts into spiral a chain of economic events that can only result in reducing the prices and incomes of farmers who produce more than two-thirds of the total farm output of this country.

As inadequate as it has been, the 75 percent of parity floor for compliance corn in the commercial corn area has been a peg which has set the general level of farm prices and incomes. Not only do the prices established for feed grains have ramifications throughout the entire range of livestock, dairy and poultry products, but when corn and other feed grain prices are allowed to drop to depression levels this causes some farmers to look around to find other more profitable uses for the land they could be using for feed grain production, while other farmers are compelled to plant more acres to meet fixed overhead costs.

Many acres of land in some areas would be transferred to soybeans and flaxseed, to vegetables, and other commodities. The consequent increased production of such commodities would lower the prices and income from their production. Most of these crops that compete with feed grains for land use,

share with feed grains the characteristic of having an inelastic demand. A large crop brings to the producers as a whole a smaller gross return than a small crop. Thus to reduce the support level for feed grains is to start into operation a series of cycles in which the falling prices of feed grains and growing surpluses of different commodities would chase each other from surplus to surplus until the prices of all farm commodities fall to the lowest world price in the international market. Our producers would be then in a position, either to go out of business entirely or to accept the lowest world price in the European or Japanese markets, minus the import duties of those countries and minus the freight charge from the United States to the European or Japanese mainland.

As inadequate as they have been under Secretary Benson's administration, the price-support programs we have had with the peg at not less than 75 percent of parity has meant many billions of dollars in additional gross and net income to America's farmers, above the level that they could have earned and received in the free market, or with supports at 10 percent below the free market, as proposed for feed grains in this bill.

Mr. President, I ask unanimous consent that table V from page 8 of the House Agriculture Committee report of its farm bill be reproduced at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE V  
[In billions of dollars]

| Year      | Net removal of farm products from commercial markets by Government | Estimated contribution of programs to farm income | Realized net farm income | Contribution of program as percent of net farm income |
|-----------|--------------------------------------------------------------------|---------------------------------------------------|--------------------------|-------------------------------------------------------|
| 1952..... | 1.7                                                                | 4.7                                               | 14.3                     | 33                                                    |
| 1953..... | 2.7                                                                | 6.9                                               | 13.9                     | 50                                                    |
| 1954..... | 1.3                                                                | 3.4                                               | 12.2                     | 28                                                    |
| 1955..... | 1.9                                                                | 5.1                                               | 11.6                     | 44                                                    |
| 1956..... | 1.3                                                                | 3.8                                               | 12.1                     | 31                                                    |

Mr. HUMPHREY. Mr. President, there are several points about this record to which I should like to invite the attention of my colleagues. One is that as Secretary Benson reduced the levels of support the volume of market supply and production increased—contrary to the claim he made to our committee as to the results we could expect from his program.

I ask unanimous consent to have printed in the RECORD at this point a table of feed grain statistics from the Department of Agriculture, showing the related price and production changes for the 5 principal feed grains from 1952 to and through 1957.

There being no objection, the table was ordered to be printed in the RECORD, as follows:



## Feed grain statistics

## I. PERCENTAGE CHANGE, 1952-57, IN 5 PRINCIPAL FEED GRAINS FOR BOTH PRODUCTION AND PRICE

[Prices are yearly averages of prices received by farmers]

|                     | Price | Production |
|---------------------|-------|------------|
| Corn.....           | -26   | +3         |
| Oats.....           | -23   | +7         |
| Barley.....         | -35   | +91        |
| Rye.....            | -37   | +69        |
| Grain sorghums..... | -39   | +518       |

## II. PRODUCTION AND PRICE STATISTICS, 1952-57, FOR FEED GRAINS

[Production figures are given in millions of bushels except for grain sorghums which are given in millions of hundredweight. Price figures are given in dollars per bushel except for grain sorghums which are given in dollars per hundredweight]

| Year      | Corn  |            | Oats  |            | Barley |            | Rye   |            | Grain sorghums |            |
|-----------|-------|------------|-------|------------|--------|------------|-------|------------|----------------|------------|
|           | Price | Production | Price | Production | Price  | Production | Price | Production | Price          | Production |
| 1952..... | 1.52  | 3,292      | 0.79  | 1,217      | 1.37   | 228        | 1.72  | 16         | 2.82           | 51         |
| 1953..... | 1.48  | 3,210      | .74   | 1,153      | 1.17   | 247        | 1.29  | 19         | 2.36           | 65         |
| 1954..... | 1.43  | 3,058      | .71   | 1,410      | 1.09   | 379        | 1.21  | 26         | 2.25           | 132        |
| 1955..... | 1.35  | 3,230      | .60   | 1,503      | .92    | 401        | 1.06  | 29         | 1.75           | 136        |
| 1956..... | 1.29  | 3,445      | .69   | 1,163      | .99    | 377        | 1.15  | 21         | 2.05           | 115        |
| 1957..... | 1.12  | 3,403      | .61   | 1,308      | .89    | 436        | 1.08  | 27         | 1.72           | 315        |

Source: U. S. Department of Agriculture.

Mr. HUMPHREY. Mr. President, I call particular attention to what the table reflects happened to prices and production between 1955 and 1957.

Take oats, for example. In 1955, average prices reached a disastrous low of 60 cents a bushel. Yet production soared to a record high of 1,503 million bushels. In 1956—an election year, incidentally—the steadily declining prices were checked and returns averaged 69 cents a bushel. What happened? Production, instead of going up, dropped to 1,163 million bushels. But with the election out of the way, prices went down to 61 cents a bushel last year—and, conversely, production started back up again, to 1,308 million bushels.

The same thing happened with barley. The same thing happened with rye. The same thing happened in grain sorghums.

That is another example of how the doctrine, to which the administration adheres, that if we lower prices, we will lower production, does not work at all.

When the Department of Agriculture has available its own figures, compiled by its own research staff, I cannot for the life of me understand why it keeps insisting, and why the Secretary of Agriculture keeps coming before the committee to insist, that a reduction in price will curb production.

Earlier today I read from a publication issued by the Department of Agriculture with relation to wheat. It is a bulletin published by the Department of Agriculture. It shows that as the price of wheat goes down, the production of wheat goes up. I have temporarily mislaid the bulletin. When I find it, I shall quote from it again.

Anyone who has blindly echoed Secretary Benson's repeated clichés about needing to lower prices to discourage production had better take a serious look at this table, to see what the evidence really reveals. I would particularly like

some of our friends of the press to call this table to the attention of the editorial writers so fond of arguing against higher farm prices which they claim create surpluses.

The evidence is there for all to see. Lower feed grain prices have been marked by an increasing surplus. The more the prices have been reduced, the more that has been produced.

The evidence is clear: Lowering support prices has not only failed to discourage production, it has actually made the surplus problem more acute.

Second, and this has a direct bearing on the feed grain proposal before us: Reductions in price support levels brought about a reduction in farm income even though the Federal programs made a greater contribution of net farm income than in years with higher support levels.

For example, without the admittedly inadequate programs we had in 1955, the realized net income of farm operators would have been only \$6.5 billion. Federal programs accounted for \$5.1 billion of farm net income in that year.

Yet the bill brought to us by the Committee on Agriculture and Forestry asks to go still further down that road. If the trends of the past few years are any indication, further price support cuts can only result in a continuing trend toward lower and lower farm income, a greater and greater percentage of which is made up of payments from the Federal Government and other effects of Federal programs. The end of that road is rural poverty, with all farm income provided by Government grant.

The farm program we have had, based upon the parity principle, which this bill seeks to destroy, was originally erected upon an awareness of Congress that farmers are the only major economic group in our total business enterprise system that has no device, other than Government programs, to adjust its pro-

duction and market supply to the needs of the market.

Farmers, in absence of workable supply adjustment or marketing quota programs, have no way of balancing their individual production against the contribution they should make toward a balanced national supply of food and fiber. Consequently, farmers have virtually no bargaining power in the commodity markets where they sell. Alone among major economic groups, farmers go to market with their goods saying, "What will you give me?"

The farm program which had its beginnings 30 years ago sought to provide to farmers the two basic mechanisms employed by all other successful business in our free enterprise economy: First, to give producers a voice in the pricing of the commodities they produce; and second, machinery to strengthen farmer bargaining power by giving them some control over adjusting their total production and sales to market requirements.

The existing farm program, particularly as it has been administered by Secretary Benson, is certainly inadequate enough in these respects. Certainly this has been true as regards corn and other feed grains. But even this inadequate program has been billions of dollars of farm income better than no program at all.

To adopt the feed grain proposal now before us in the committee bill would be to give added impetus to further application of the errors of the past 5 years.

Adoption of this proposal would probably increase, not decrease, the surplus of feed grains.

It would reduce, not increase, farm income.

It would remove from farmers the only price and income protection measures they have in the broad sweep of the livestock-feed economy.

Mr. President, that is about all I wish to say—for the time being—about the weaknesses of the feed-grain proposal in the bill before us. I shall turn now to an explanation of the amendment to this proposal that I have called up for consideration. If my amendment fails, I shall attempt to strike the proposed feed grain provision from the bill, because I feel that if we can't go forward, at least we ought not to go backwards.

The feed-grain proposal in this bill is the recommendation of only one farm organization. And many members of that organization have written me that they do not agree with the position taken by the national legislative representatives of that organization in favor of this 10 percent less than the free-market support-level proposal.

For over a year, the other farm organizations and farm commodity groups such as the National Farmers Union, the National Grange, the Sorghum Grain Producers Association and the National Corn Association have been working together in harmony and sincerity to develop a proposal for corn and other feed grains that would progressively eliminate the surplus carryover, improve feed-grain producers income and provide a



basis for farmer-controlled market supply adjustment and production adjustment that would enable a continuing adequate program to operate at a minimum of cost to the Federal Government.

I have received a letter from the National Corn Growers Association, which supports the pending amendment. In their letter they ask the Senate not to adopt the feed grain provision in the bill pending before the Senate. They support the Humphrey amendment. The National Corn Growers Association should have a pretty good idea of what would be good for corn and corn producers.

There is no secret about the fact that the cotton councils have been indicating their support for the cotton provisions of the bill. In fact, there were many Senators who would very much have liked to vote in support of the Proxmire dairy amendment, but they did not do so because they were informed day after day by the cotton councils that any amendment to the bill along the line of a dairy amendment—inasmuch as there was no dairy provision in the bill—would bring a veto of the bill.

Mr. President, the cotton councils have had great effect upon the bill. I respect their judgment when it comes to cotton. I think they know a great deal about it—undoubtedly much more about it than we who come from areas of the Nation where cotton is not a farm commodity.

But I ask for the same degree of respect for the National Corn Growers Association, because corn is a commodity crop of the corn growers. The corn growers are every bit as numerous as are the cotton growers. They are every bit as important to the economy.

The President of the National Corn Growers Association, Mr. Walter W. Goeppinger, has written me a letter dated July 21, 1958, stating that he favors "the section on feed grains giving the farmers the opportunity to decide between the voluntary cut of 20 percent in acreage and 85 percent of parity support, and the modified Farm Bureau plan now in the committee bill." The National Corn Growers Association is opposed to the bill as it is now written.

Mr. President, I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL CORN GROWERS ASSOCIATION,  
Boone, Iowa, July 21, 1958.

Senator HUBERT HUMPHREY,  
Senate Office Building,  
Washington, D. C.

MY DEAR SENATOR HUMPHREY: The National Corn Growers Association stands squarely behind you, Senator PROXMIRE, and Senator SYMINGTON in the new agricultural bill which you have drafted as a substitute for the bill reported out by the Senate Ag Committee.

We especially favor the section on feed grains giving farmers the opportunity to decide between the voluntary cut of 20 percent in acreage and 85 percent of parity support, and the modified Farm Bureau plan now in the committee bill.

Our best wishes go to you for a success in your efforts on this new bill of yours.

Most sincerely yours,  
WALTER W. GOEPPINGER,  
President.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a telegram I have received from farmers of St. Joseph, Ill., relating to the feed grain section of the bill.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ST. JOSEPH, ILL., July 25, 1958.

Senator HUBERT H. HUMPHREY,  
Senate Office Building,  
Washington, D. C.:

Many grain farmers in Champaign County east central Illinois think Ellender-Benson bill is a farce and worse than no legislation at all. Most farmers around here have lost faith in Benson and the agriculture reports written by his highly paid propaganda writers in Washington. Why not wait until after November election for farm legislation.

J. ROY BYERLY,  
BRUCE DAVID,  
Farmers.

Mr. HUMPHREY. Mr. President, the proposals of this group were introduced in the House of Representatives by Representative MCCARTHY of my State. Similar suggestions for an improved, comprehensive overall feed grain program were outlined to both House and Senate committees in our hearings. I had hoped for more serious consideration of these proposals. Lacking in success in this matter, I asked our committee to at least consider applying to corn and feed grains the same type of legislative program that the committee approved for application to cotton.

As has been brought out on this floor, the committee bill provides two different programs for cotton producers: Program A, which involves a certain specified national acreage allotment and continuation of approximately the 1958 level of supports, and program B, which provides for 40 percent more acres, and only 60 percent of parity supports. Each individual cotton producer would be allowed to choose which of the two programs, program A or program B, he wants to participate in each year. I want to apply the same principle to feed grains.

If such a free choice between two programs is fair to the cotton producers, I cannot see why we should not provide a similar choice to individual corn and feed grain producers in this bill. If we do not, the Senate will be acting in a most illogical and inconsistent way.

On the one hand, we would provide a program by which cotton producers can obtain a higher support level by staying within allotments by free choice, after comparison with the other cotton program provided by the bill. On the other hand, the Senate would be saying, "We don't think you feed grain producers should have the same right of free choice we are willing to extend to cotton producers. We, the Senate, will tell you feed grain producers what kind of program you must have, and we will not give you any choice in the matter whatsoever."

I want to make it clear that my amendment is not at all mandatory. It provides a free choice to the feed grain producers to take what is in the bill or to take another provision, which calls for a 20-percent reduction in acreage in order to obtain 85-percent support on corn; and the support levels on other feed grains are related on the basis of the feed grain equivalent to 85 percent, and scaling down to a low of 60 percent.

The amendment to which I invite favorable attention and support is a simple proposal, designed along the lines of the provisions of the cotton title in the bill before us.

Briefly, the feed grains amendment, of which I ask approval, provides that each producer of feed grains may make a free choice between either of two programs that would be established.

The farmers may make a free choice. I call it the free choice amendment. It is a free choice feed grain amendment. They would choose between either of the two programs which would be established.

Prior to planting time of each year he can choose whether to participate in the program embodied in the feed grains proposal of the Committee on Agriculture and Forestry, namely, supports equivalent to 10 percent below the average market price of the last 3 years of \$1.10 for corn or its equivalent on an acreage equal to the total planted to all feed grains over the immediately preceding 5 years, or in another program under which, the producer, by contributing to a reduction in the surplus of feed grains by reducing his acreage below the base, could qualify for a higher level of support.

In other words, if the farmer is willing to discipline himself and set aside 20 percent of his acreage—and, as I shall point out, this is really careful compliance—and put it into the conservation reserve, so that the acres will not be planted and there will be no substituting of feed grain, then the farmer would be entitled to a higher support level, just as in the case of cotton.

The proponents of this feed-grains amendment—and there are several Senators who have joined with me, including the Senator from Missouri [Mr. SYMINGTON], the Senator from North Dakota [Mr. LANGER], the Senator from South Dakota [Mr. MUNDT], and the Senator from Wisconsin [Mr. PROXMIRE] have tried to make its application on the completely free market as nearly parallel to the cotton provisions of the bill as we could, which is what the committee bill seeks to provide for feed grains.

We have patterned its provisions upon the latest available scientific statistical studies of the United States Department of Agriculture economists. We are told by these scientists in their publications that the farm-price elasticity of feed grains as a whole is in the range of 2 to 1. That is, a 1-percent increase in the supply of all feed grains will reduce the price received by farmers by about twice that much, or 2 percent.

On the completely free market, which is what the committee bill seeks to ap-



proach for feed grains, these feed-grain price studies indicate that if 4 billion bushels of feed grains will sell for 100 percent of parity then 4.4 billion-bushels would sell for only 80 percent of parity.

We have applied this scientific knowledge to drafting the choices of programs in the proposed amendment. The feed-grain proposal as approved by the committee sets a support level of \$1.10 per bushel for corn without controls on acreage. Their contention, if they are logical, is either that such a program will not result in the piling up of surpluses and losses in Commodity Credit Corporation, or alternatively that they are willing to allow the program to be underwritten by whatever extent of costs would be under the program. We, therefore, take the committee proposal as a point of departure.

Under the amendment, any feed-grain producer would be authorized to participate at his option in the program provided for feed grains by the committee bill. Thus the producer could plant unrestricted acreage of either corn or feed grains. If the individual producer chose to participate in this program, he would be eligible for the \$1.10 support program or if the figure calculated to be 10 percent less than the average free-market price in the previous 3 years is more, he would be eligible for such supports. That is not my idea; it is Benson's.

To this program as recommended by the committee, we applied the price elasticity figures from economic research as the basis for my amendment. Thus if a producer was willing to contribute to a reduction of the surplus by cutting down his acres, our alternative program allows that he can become eligible for an increased level of protection in the ratio to which a lower market supply would contribute to lowering of Federal costs of the program provided in the committee bill.

Under the alternative program provided in the amendment, a producer could qualify for supports on his feed grains at not less than 85 percent of parity by reducing his planted acreage in feed grains by 20 percent, and placing them into the conservation reserve.

The Government would carry out this alternative program for feed grains in exactly the same manner as is provided in the committee bill for the alternative cotton program—that is, Government purchase and resale at a loss to the normal channels of trade. Thus the addition of the proposed alternative to the committee program would not result in raising the market price above the level provided in the committee bill. Both the feed grains of a producer that participated in Program A and one who participated in Program B would move into market at the support level provided in the committee bill until such time as the surplus holding of Commodity Credit Corporation had been distributed or sold.

Given a free choice in the matter, I do not believe that many feed grain producers will choose to participate in the Benson program established by the committee bill. However, my amendment will give producers that choice and opportunity if they want to do so. But I

do not believe that we in the Congress can with fairness and justice, say to the cotton producer, here, you have a choice of two programs, but you, the producer of feed grains, can not have a similar choice.

The purpose of the amendment I am proposing is to give to feed grain producers approximately the same choice that the bill before us extends to cotton producers. The programs would operate in similar ways, and the national economic effects would be identical.

I shall not be a willing party to asking corn producers to be satisfied with 63 percent of parity or the free market, whichever is higher, while giving every cotton producer in this country an opportunity to qualify for supports at about 87 percent of parity for the average grade of cotton. The Senator from Minnesota wants to cooperate with my colleagues from the cotton and rice areas. The Senator from Minnesota is very much in sympathy with preventing the 40 percent drop in gross income of rice producers that will take place next year if we do not enact this proposed legislation. The Senator from Minnesota is very sympathetic to preventing the 25 percent cut in cotton acreage allotments and cotton gross income that will take place next year unless new legislation is adopted.

But the Senator from Minnesota cannot see any logic in enacting a law that will mean 40 percent increase in rice producers' income, 25 percent increases in cotton producers' income but a further cut in feed grain producers' incomes. Where is the logic in that?

We are told that this is the manner in which we must legislate if we are to sidestep another Presidential veto. I do not believe that the President of the United States is so illogical as to veto a bill just because it provides the same program for corn, sorghum grain, and rye and oats and barley producers as to cotton producers.

The pending amendment applies to the corn and feed grains program exactly the same provisions as the committee bill does to cotton producers, taking into account the known farm price inelasticity of the demand for feed grains. The alternative program provided in the amendment will result in cutting supply of feed grains beyond that provided in the committee bill by more than enough to account for the higher support level to producers. The land taken out of production by the proposed alternative program will be subject to all of the restrictions against grazing and other commercial use that are provided in the conservation reserve legislation. Thus, the acreage cuts taken by producers to qualify for the 85 percent of parity alternative will, first, be more than enough to justify the higher support level; and, second, none of the land so removed from feed grain production can be used to add to the market supply of any other commodity.

In the pending amendment corn and sorghum grain are combined into a single primary feed grains program, while the other feed grains are combined into a secondary feed grains program to operate

in conjunction with and by the same regulations as the primary feed grain program. In the primary feed grains program corn and grain sorghum acreages would be interchangeable, while in the secondary program the acreages of rye, oats, and barley would be interchangeable.

Presumably there must be some feed grain producers among the constituents of some of my colleagues on the Committee on Agriculture who think they would be better off in 1959 and 1960 and 1961 if they have no acreage allotment program and only 63 percent of parity supports than they would be under a continuation of the existing program. Most of my constituents that have written me do not fall into this category. The feed grain producers in my State of Minnesota apparently do not want to discard the parity concept. They do not wish to eliminate corn as a basic commodity. They do not wish to see the at least 75 percent of parity support floor removed from corn and other feed grains. I am willing, of course, under the circumstances in which this legislation is being considered in the shadow of another veto, to say that any feed grain producer who wants to may have the dubious advantage of unlimited acres and 63 percent of parity supports. But I cannot sit idly by and see the opportunity destroyed for all feed grain producers to act with commendable self-discipline and qualify for at least 85 percent of parity supports to his returns from the production and sale of feed grains.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table comparing the results of the work of a corn producer with 100 acres of 50-bushels-per-acre corn land, under the committee bill program, the alternative provided by the pending amendment, and under the free market.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

| Item                                      | Committee bill program | Alternative provided by amend- | Estimated free market |
|-------------------------------------------|------------------------|--------------------------------|-----------------------|
| Acres of cornland.....                    | 100                    | 100                            | 100                   |
| Normal yield (bushels per acre).....      | 50                     | 50                             | 50                    |
| Planted corn acres.....                   | 100                    | 80                             | 100                   |
| Total production (bushels).....           | 5,000                  | 4,000                          | 5,000                 |
| Support or market price (per bushel)..... | \$1.10                 | \$1.50                         | \$1.00                |
| Gross income from corn.....               | \$5,500                | \$6,000                        | \$5,000               |
| Income from conservation payments.....    | None                   | 240                            | None                  |
| Total gross income from cornland.....     | \$5,500                | \$6,240                        | \$5,000               |
| Average per acre.....                     | \$55.00                | \$62.40                        | \$50.00               |
| Added to CCC surplus (bushels).....       | 300                    | None                           | None                  |

Mr. HUMPHREY. Mr. President, operating under the provisions of the program provided by the committee bill, such an operator with 100 acres of cornland would make a gross of \$55 per acre compared with \$62.40 per acre under the alternative provided in the pending amendment. In return for the higher return, the producers who choose to take part in the planned surplus reduction program, would enable the Government



to move an additional 1,000 bushels of corn from CCC stocks into the market, or a net of at least 700 bushels more than would be possible if that producer did not participate in the alternative program.

On the other hand, the program provided by the committee bill has a built-in factor of at least 10 percent surplus accumulation. At the \$1.10 support price, it is quite likely that over 10 percent of the production in any year might find its way into Commodity Credit Corporation stocks. Not knowing what the results will be in the new subsidy in kind feed grains export program, we cannot estimate how much of the \$1.10 per bushel loan or purchase price of such surplus will be recovered in the export program. However, we can be reasonably sure that not nearly all of it will be recovered. Therefore, the added supports provided for producers that cooperate in supply reduction by choosing the alternative provided by the pending amendment will be more than offset by the reduced cost of the total program to the Government.

Since the costs to the Government will be less under the alternative program provided in the amendment, since the return to producers will be greater, and since we are going to extend a similar choice to cotton producers, I urge my colleagues, in fairness, and as a good governmental policy, favorably to consider the amendment now before the Senate.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, I had yielded myself 30 minutes.

The PRESIDING OFFICER. The Chair is informed that when the amendment was originally considered, the Senator from Minnesota yielded time.

Mr. HUMPHREY. That time was yielded on the bill, if I am not mistaken.

The PRESIDING OFFICER. It was not so considered.

Mr. THYE. Mr. President, the Senator from California, the minority leader, yielded 5 minutes on the bill, and the junior Senator from Minnesota, my colleague, yielded me time. So I know the time was intended to be charged to the time on the bill.

Mr. HUMPHREY. I think we can get some time on the bill.

Mr. President, I understand the Senator from South Dakota [Mr. MUNDT] wishes to comment upon this particular amendment. How much time have I remaining on the amendment?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. HUMPHREY. I yield the 5 minutes I have remaining to the Senator from South Dakota. Then I shall ask

the chairman, who is in control of the time on the bill for the affirmative side, if he will yield time to me. However, we can take some time from our side. We have 2 hours allotted. So we can yield more time to others.

I yield to the Senator from South Dakota.

Mr. MUNDT. Mr. President, I support the amendment which has just been discussed by the junior Senator from Minnesota. I voted for a somewhat similar amendment at the time the bill was before our Senate Committee on Agriculture and Forestry. At that time the amendment was not perfected to the degree it has now been perfected and we lost the motion in committee.

It was felt by some of us that the feed grain producers and corn producers of the country should be entitled to the same right of option between two types of programs as is being accorded to the cotton farmers of the country by S. 4071. In the short time we had to work on an amendment in our committee, an effort was made to add such an amendment to the bill. At that time we were defeated; and we then announced that another effort would be made, on the floor of the Senate.

As I stated earlier this afternoon, at the time when we voted to report the agricultural bill from the committee to the Senate, I voted "present," instead of voting either "yea" or "nay," because I wanted very clearly to reserve the right to submit amendments, if they were not submitted by other Senators, which I thought would improve the proposed legislation.

Mr. President, this amendment is of that type, because, under the amendment, all the benefits, all the advantages, and all the economic assets envisioned by those who believe in the corn legislation and the feed-grain legislation provided in Senate bill 4071, would be retained, without being impaired in any way. But the amendment would result in offering to the corn farmers of the country, a statement saying, "Here is another option for you. If, instead of participating in the program set forth in the basic legislation, you prefer an alternative which provides for voluntary cross-compliance and elect to reduce by 20 percent your overall production of corn and feed grain, then, in return for that public service and that contribution to the elimination of surplus feeds and grains in this country, you will be entitled to a higher level of price supports. That rate would then be 85 percent of parity."

Mr. President, it seems to me that is consistent with the general philosophy of agricultural legislation since the first price support legislation of this type was enacted in 1938, 20 long years ago.

If the amendment is adopted, I believe that in all probability we shall find that, in the first year, some farmers will elect

to use plan A, and some will elect to use plan B. I believe that in some areas it will perhaps be discovered that plan A will work better than plan B, and that the reverse will be found to be true in other areas.

In any event, the amendment will result in the accumulation of information from the laboratory of life, after the farmers who work with these two programs perhaps will be able to reconcile them; and that information will be useful in connection with future legislation, based on further experience which may very well be better than any provisions we can make at this time.

Mr. President, I asked Mr. Martin Sorkin, Assistant to the Secretary, to prepare for me a statement based on what in his opinion was the best "guesstimate" they could make at this stage of the game as to what the operation of Senate bill 4071 would mean in terms of corn prices for the next crop year; and he has prepared a statement and also a table in response to that request.

I have listened as best I could to the tables presented by the Senator from Minnesota. I am not sure that the tables he has read and those I have read are exactly the same, but I do not believe they are very far apart.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the statement submitted by Mr. Sorkin and also the tabular statistics.

There being no objection, the statement and table were ordered to be printed in the RECORD, as follows:

INDICATED 1959 PRICE SUPPORT AT 90 PERCENT OF THE PRECEDING 3-YEAR AVERAGE PRICE RECEIVED BY FARMERS

There is attached for your consideration a table showing monthly corn prices received by farmers on a calendar basis for the years 1955, 1956, 1957, and 1958.

Please note that for the years 1957 and 1958 two columns of data are shown. The first column contains data on midmonth prices actually received by farmers. The second column shows such data adjusted in applicable months for abnormally low prices received due to the marketing of poor quality corn. These adjustments were made by applying the monthly index of seasonal variation in prices to the weighted average of prices received during the calendar year 1957. It is to be noted that for 1957 the weighted average was raised from \$1.14 to \$1.17 per bushel.

For 1958 it was necessary to provide estimates for monthly prices which may be received by farmers from July through December. These estimates were determined on the basis of the monthly index of seasonal variations in prices. The 3-year 1956-58 weighted average of prices thus computed would be about \$1.19 per bushel. To this weighted average price must be added about 9 cents per bushel to account for the higher price of corn delivered to CCC under the price-support programs.



Corn: Computation of 3-year 1956-58 weighted average farm price, adjusted for marketing of low-quality corn from 1957 crop, and indicated price support at 90 percent of such average

|                                           | 10-year average weight | Index of seasonal variation | 1955   | 1956   | 1957        |          | 1958        |          |
|-------------------------------------------|------------------------|-----------------------------|--------|--------|-------------|----------|-------------|----------|
|                                           |                        |                             |        |        | Un-adjusted | Adjusted | Un-adjusted | Adjusted |
|                                           | Percent                | Percent                     | Bushel | Bushel | Bushel      | Bushel   | Bushel      | Bushel   |
| January.....                              | 9.7                    | 97                          | \$1.40 | \$1.16 | \$1.23      | \$1.23   | \$0.931     | (\$1.11) |
| February.....                             | 7.0                    | 97                          | 1.40   | 1.18   | 1.19        | 1.19     | .958        | (1.11)   |
| March.....                                | 7.1                    | 98                          | 1.36   | 1.20   | 1.20        | 1.20     | 1.00        | (1.12)   |
| April.....                                | 6.8                    | 101                         | 1.36   | 1.32   | 1.21        | 1.21     | 1.12        | 1.12     |
| May.....                                  | 6.9                    | 104                         | 1.40   | 1.39   | 1.23        | 1.23     | 1.15        | 1.15     |
| June.....                                 | 7.2                    | 104                         | 1.40   | 1.42   | 1.22        | 1.22     | 1.19        | 1.19     |
| July.....                                 | 6.4                    | 106                         | 1.40   | 1.43   | 1.23        | 1.23     | -----       | (1.21)   |
| August.....                               | 7.4                    | 105                         | 1.30   | 1.45   | 1.23        | 1.23     | -----       | (1.20)   |
| September.....                            | 7.3                    | 104                         | 1.24   | 1.43   | 1.15        | (1.19)   | -----       | (1.19)   |
| October.....                              | 10.4                   | 96                          | 1.14   | 1.19   | 1.06        | (1.10)   | -----       | (1.10)   |
| November.....                             | 13.5                   | 92                          | 1.09   | 1.21   | .985        | (1.05)   | -----       | (1.05)   |
| December.....                             | 10.3                   | 96                          | 1.15   | 1.22   | .984        | (1.10)   | -----       | (1.10)   |
| Straight average.....                     | -----                  | -----                       | 1.30   | 1.30   | 1.16        | 1.18     | -----       | 1.14     |
| Weighted average.....                     | 100.0                  | 100.0                       | -----  | 1.28   | 1.14        | 1.17     | -----       | 1.13     |
| 3-year 1956-58 weighted average.....      | -----                  | -----                       | -----  | -----  | -----       | -----    | -----       | 1.19     |
| 3-year weighted average plus 9 cents..... | -----                  | -----                       | -----  | -----  | -----       | -----    | -----       | 1.28     |

## NOTES

- (a) 3-year 1956-58 weighted average times 90 percent equals \$1.15.  
 (b) Compilers receive \$1.36 in 1958.  
 (c) Noncompilers in commercial counties receive \$1.10 in 1958.  
 (d) Noncommercial corn counties receive \$1.02 in 1958.  
 (e) Under S. 4071 all corn producers would receive \$1.15 per bushel.  
 (f) Only 12 percent of corn producers are "compilers" in 1958.

Mr. MUNDT. Mr. President, in this statement Mr. Sorkin points out that the 1956-58 weighted average price would be \$1.18, and that to that should be added 9 cents because of the fact that the adjusted payments would amount to an additional 9 cents so that the average would be \$1.28. Using that as a base figure, this is what I am advised by Mr. Sorkin will confront the corn producers of the country who elect to go along with the program provided by Senate bill 4071, if they have the option to select that plan, instead of plan A:

First of all, the 3-year weighted average, therefore—in other words, 90 percent of \$1.28—amounts to \$1.15. So that should be the base—90 percent of the average price for the last 3 years, which the farmers would receive, and which I am happy to note would be 5 cents above the guaranteed minimum of \$1.10—or an anticipated price support at \$1.15 per bushel as the result of the new 90 percent formula.

So, first, the farmer would be confronted with a price of \$1.15 for the corn he raises in the next crop year, whereas in 1958 the compilers receive \$1.36.

The unfortunate part about this last statistic is that it is somewhat deceptive, because although compilers receive \$1.36 in 1958, only 12 percent of the corn producers of the Nation are compilers. So, of course, 88 percent of the corn producers do not receive the \$1.36. In fact, in South Dakota considerably less than 12 percent of the corn producers are compilers.

Furthermore, in the crop year 1958 the noncompilers in the commercial corn counties receive \$1.10. So the noncompiler who in commercial corn counties is receiving \$1.10 in 1958, should be benefited, under the new plan, to the extent of 5 cents a bushel.

The next fact which stands out is that if the farmer decides to elect, as between plan A and plan B—if, as the Senator from Minnesota [Mr. HUMPHREY] and I

hope, the farmer will be provided with that option—

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The time yielded to the Senator from South Dakota has expired.

Mr. MUNDT. Mr. President, will the Senator from Vermont yield me 5 minutes on the bill?

Mr. AIKEN. I do not know who is in control of the time on the bill, on this side.

Mr. MUNDT. Whoever sits in the chair of the minority leader has control of that part of the time.

Mr. AIKEN. Mr. President, let me inquire how much time remains to those on this side, on the bill.

The PRESIDING OFFICER. Fifty-three minutes on the bill remains under the control of the Senator from California [Mr. KNOWLAND].

Mr. AIKEN. Then, Mr. President, I yield 5 minutes on the bill to the Senator from South Dakota.

Mr. MUNDT. I thank the Senator from Vermont.

Mr. President, the next fact for consideration today is that in the noncommercial corn counties, farmers will receive \$1.02 in 1958, as against the \$1.15 which they would receive under the new legislation.

Under the provisions of Senate bill 4071, since all counties are treated alike and all producers are treated alike, those who receive the expected \$1.15 a bushel will be in a better position than the position they are in under existing circumstances whether they farm in commercial or noncommercial corn counties; unless they are among the 12 percent who are compilers and who thereby restrict their corn production.

They will find that fact encouraging, and I believe it will be beneficial to corn producers generally; and they will relate it to the fact that, under option A, they can receive a substantially higher price for the corn they produce, if they care

to take out of production the 20 percent in cross-compliance which is required, in order to reduce the overall corn supply of the country.

So I believe some will elect to do one, and some will elect to do the other; but I believe that in the main the corn producers of the country will benefit.

I think that back of the program under the Humphrey amendment is sort of a lingering suspicion of fear in the mind of both the Senator from Minnesota and myself that if we simply had to depend upon the provisions of Senate bill 4071, the fact that corn production would be more profitable to more farmers in more counties generally might encourage too many persons to raise too much corn in too many places, and would result in the piling up of an additional surplus of corn. I share that suspicion of what might conceivably be the outcome. In that event, we would be confronted with a serious problem. I hope the program does not work out in that way. I hope the encouragement given to the producers of other crops than feed grains will be such that they will plant them, instead of corn. But to the degree that this provision does imperil the surplus situation in the country, every farmer who elects to use Plan A will tend to reduce, to that degree, the hazard, because he will reduce his overall supply of feed grains by approximately 20 percent.

I should like to call attention also to the fact that the Humphrey amendment provides language, on page 6, to the effect that, at the option of the producer, he may take his payment either in cash or in kind.

On page 6, beginning in line 22, we find the following:

(1) in cash, or (2) at the option of the producer, through negotiable certificates, which the Commodity Credit Corporation shall redeem in corn, grain sorghums, oats, rye, and barley, in accordance with regulations prescribed by the Secretary.

In other words, when the producer does that, he brings into focus the language of the Soil Bank Act itself, which provides in section 105, paragraph (a) (2):

At the option of the producer, in the case of certificates issued with respect to grains and upon presentation by them in grains (such grains to be valued by the Secretary at such levels as he determines will not materially impair the market price for such grain, yet will, to the maximum extent practicable, encourage acceptance of payments in grains in lieu of cash).

At one time it was provided that the farmer should receive \$1.05 worth of grains for every dollar he got in negotiable certificates. The intent of the law was, as the discussions in the committee made clear, that the Commodity Credit Corporation not only would be authorized, but encouraged, in these payments in kind, to pay the producer more value in grain than would be available to him in dollars.

I think that would be an additional factor which would help in two ways: first, it would help to reduce existing surpluses, and second, to encourage more farmers to participate in plan A, comply



with the plan, and get the benefit of 85 percent of parity.

For the reasons stated, I urge support of the amendment offered by the Senator from Minnesota, providing the farmer would be given a free choice as between two desirable programs and let him decide which one he prefers to utilize.

Mr. THYE. Mr. President, will the Senator yield me 2 minutes?

Mr. AIKEN. I yield to the Senator from Minnesota 2 minutes on the bill.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

Mr. THYE. Mr. President, I rise to support the amendment.

My reason for supporting it is that our visible production of corn, wheat, and feed grains is larger than any foreseeable ability to dispose of it, either through export channels or through processing.

The total supply of wheat estimated at 1.1 billion bushels in April of 1958 was slightly less than that of the previous year. However, it was a very large supply. As stated last evening, there was a visible supply for practically 4 years. The distinguished Senator from New Mexico [Mr. ANDERSON] made that statement.

When we examine the statistics a little further, we learn that Commodity Credit Corporation stocks, both owned and under loan, were about 28 million bushels above the 1957 level, while market supplies were about 95 million bushels less than in 1957.

On the other hand, total supplies of corn and feed grains in 1958 were substantially above the 1957 level. The greatest increase, of course, occurred in the case of sorghum grains, which increased by 285 million bushels over the 139 million bushels in 1957, followed closely by corn, with a 200-million bushel increase over the 2.6 billion bushels reported in 1957.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. THYE. May I have 1 more minute?

Mr. AIKEN. I yield 1 additional minute to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 1 additional minute.

Mr. THYE. The proposal set forth by the amendment offered by my colleagues the junior Senator from Minnesota [Mr. HUMPHREY] and the Senator from South Dakota [Mr. MUNDT] gives the producer the option to let 20 percent of his total tillable acres lie idle. If he does that, he takes them out of crop production. That is the only possible way the overall harvest or tonnage of feed grains produced annually will be decreased—by allowing acreage to remain idle.

The amendment proposes that acres will be made idle in an orderly way, thereby reducing the overall harvested acres in our land. It is a sound approach. It will not be costly, for the reason that, even though farmers will get a higher support price for the crops they grow, the feed needs will be drawn in many cases from the existing visible supply.

Therefore, I think the amendment is absolutely sound. I shall support it, and I urge my colleagues to support it.

Mr. President, I ask unanimous consent that a table containing the statistics to which I made reference be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Supply of wheat, corn, and feed grains, 1958 compared to 1957, as of Apr. 1*

[In millions of bushels]

| Commodity       | CCC owned and under loan |       | Market supplies |       | Total supply |       |
|-----------------|--------------------------|-------|-----------------|-------|--------------|-------|
|                 | 1957                     | 1958  | 1957            | 1958  | 1957         | 1958  |
| Wheat.....      | 830                      | 858   | 359             | 264   | 1,189        | 1,122 |
| Corn.....       | 1,375                    | 1,492 | 1,218           | 1,307 | 2,593        | 2,799 |
| Sorghum grain.. | 83                       | 360   | 56              | 64    | 139          | 424   |
| Oats.....       | 43                       | 62    | 437             | 538   | 480          | 600   |
| Barley.....     | 94                       | 151   | 109             | 111   | 203          | 262   |
| Rye.....        | 7                        | 8     | 6               | 7     | 13           | 15    |

Source: USDA, AMS.

Mr. HUMPHREY. Mr. President, I think the opposition to the amendment will want to be heard.

Mr. President, do I have any time left on the amendment?

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Will the Senator from Louisiana yield time to the Senator from Missouri on the bill?

Mr. ELLENDER. How much time does the Senator from Missouri desire?

Mr. SYMINGTON. Eight minutes.

Mr. ELLENDER. I yield 8 minutes to the distinguished Senator from Missouri on the bill.

The PRESIDING OFFICER. Is time being yielded on the bill?

Mr. ELLENDER. On the bill.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 8 minutes.

Mr. SYMINGTON. I thank the distinguished Senator for his gracious courtesy.

The corn and feed grain provisions of S. 4071 have implications far beyond the simple language contained in the bill or the explanation which appears in the accompanying report.

The consideration of legislation on feed grains involves the largest and most important segment of agriculture.

Feed grains account for some 150 million acres, or 40 percent of the total land planted to crops in the United States.

While feed grains contribute only a small percentage—7 percent—of the total cash receipts from farming, they nevertheless are the basic raw material of the livestock industry.

This total feed grain-livestock segment of agriculture is responsible for over \$20 billion—over 60 percent of total farm cash receipts.

Because of the close relationship between the feed grains and livestock, what may appear to be innocent legislation on feed grains may trigger disastrous effects on total farm income.

To place this in a better perspective, Mr. President, while the feed grain-

livestock area of agriculture accounts for more than 60 percent of total farm cash receipts, wheat accounts for 6 percent and cotton, which is so important in the bill now before the Senate, contributes 8 percent.

The pending legislation has serious implications to the economic welfare of some 20 million people engaged in agriculture.

The program for feed grains embodied in S. 4071 is not just the usual minor modification of existing permanent legislation. It is an entirely new concept. Previous farm programs have been directed toward bringing about an orderly adjustment in the supply of feed grains, and therefore exert indirect influence on the production of livestock products and finally livestock prices and income.

Thus we have had in the past methods whereby farmers in cooperation with their government could secure some degree of bargaining power, and the opportunity to earn a fair return comparable with other segments of the economy.

S. 4071 would work in the opposite direction. It abandons the parity concept. It removes all acreage controls and eliminates any method of adjusting production to demand. It would lower price supports and, based on past experience, would therefore encourage increased feed-grain production beyond the record levels we now have.

It would have the effect of increasing livestock production, with the inevitable sharp declines in livestock prices.

There is only one end to this approach—lower farm income and the elimination of hundreds of thousands of farm families.

Price supports under Title II of S. 4071 would be established at 90 percent of the preceding 3-year average price received by farmers. Under such a program, prices will move in one direction—down.

In reference to this type of feed-grain program, the House Agriculture Committee report on H. R. 12954 stated:

In view of the large backlog of feed-grains and current production trends, unless a modified program is adopted, corn and hog producers may expect prices averaging perhaps no higher than 50 to 60 percent of parity in the next few years. They may expect corn prices to average 80 cents to \$1 per bushel and hogs to average \$10 to \$12 per hundred pounds, or about half the recent market price.

Even those who would like to see lower farm prices realize that such a program would bring ruinous conditions to agriculture.

The advocates of price supports at a level 10 percent below the average market price therefore included in the provisions of this bill a minimum price support—a floor of \$1.10 per bushel of corn.

But even before the bill has come up for consideration on the floor of the Senate, efforts were made to lower, or to cancel out, such a price floor. While those amendments were not successful this year, who is to say what will happen in 1959, or in some future year?

In 1956, in 1957, and based on the latest Department of Agriculture crop production reports for 1958, total corn production has been approximately 400



million bushels more than is used domestically.

During these 3 years we have had the gigantic soil bank program, which has removed from production 17 million acres of cornland. In addition, we have had allotments on corn which have reduced the acreage planted. While the compliance in this allotment program has been relatively small, it has nevertheless resulted in a sizable reduction in the total corn production.

Mr. President, if we had not had the soil bank program and the acreage control program, total corn production would have been near the 4 billion bushel mark. This gives some indication of what can be expected should the corn and feed-grain provisions of S. 4071 be enacted.

Total domestic disappearance has averaged some 3 billion bushels in recent years. Therefore, we can expect yearly production to be approximately 1 billion bushels in excess of domestic needs. Most of this excess production will move into the Government's hands through the \$1.10 loan. In view of the past difficulty, the Department of Agriculture will be faced with an almost impossible task of handling such great amounts of grain.

The loss to the Government will be enormous. Feed-grain prices will be forced down, livestock prices will decline and, most serious, there will be further declines in farm income.

Mr. President, I hope my colleagues will keep these facts in mind as they evaluate the pending bill.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. SYMINGTON. Mr. President, will the Senator yield me 2 additional minutes?

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, this amendment is based on the belief that many farmers are willing to cooperate in adjusting production to meet demand and that Congress, therefore, has a responsibility to provide the mechanism whereby farmers can accomplish this goal.

The amendment would give to corn and feed grain producers an opportunity to choose between two alternative programs—similar to the choice plans offered for cotton producers in S. 4071.

To those farmers who desire to produce, without restrictions, and therefore accept the lower price, the program embodied in the committee bill, S. 4071, is retained. However, instead of this program being mandatory on all producers of feed grains, this amendment would offer another plan whereby farmers could adjust their production and would receive higher price supports. Each producer would have complete freedom to choose the program best suited to his individual condition and circumstances.

If a farmer selected choice A, he would reduce the acreage of both primary—corn and sorghum—and secondary—barley, oats, and rye—feed grains by 20 percent below the average acreage devoted

to these crops in the past 3 years. This acreage would be placed in the Conservation Reserve, and be eligible for compensation in cash, or in negotiable certificates redeemable for feed grains now held by the Commodity Credit Corporation. Price supports under "choice A" would be at 85 percent of parity for corn, and comparable levels for the other feed grains.

As is the case with cotton, price supports to producers who elected choice A would be through a purchase program. Under choice B price supports would be through loans, purchases, or other operations.

Beginning in 1959, the Commodity Credit Corporation is directed to offer its holdings of feed grains for sale at not less than 105 percent of the choice B level of price supports, plus reasonable carrying charges.

The choice B program for corn and feed grain producers is the identical program offered as title II, of S. 4071. Briefly, this choice would establish price supports at 90 percent of the preceding 3-year average price received by farmers, but not less than \$1.10 per bushel on corn. Price supports on the other feed grains would be at comparable levels but not less than 60 percent of parity. There would be no acreage allotments or marketing quotas on corn or any of the other feed grains.

In summary, this proposed amendment would give to the corn and feed grain producers an opportunity to choose the type of program best suited to their individual operation. Such a choice program, dealing with all of the feed grains, provides a method whereby production can be adjusted so as to maintain reasonable levels of farm income in the feed grain-livestock segment of the agricultural economy.

Mr. President, I again thank the distinguished senior Senator from Louisiana for his courtesy in yielding time to me.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield 5 minutes to the distinguished Senator from Vermont.

Mr. AIKEN. Mr. President, before we vote on the proposed amendment, I should like to put in the RECORD a statement of the probable effect of the bill which we are considering on corn support prices next year.

The support price for corn in the commercial area for those acres which are in compliance with allotments is now \$1.36 a bushel. This year it is estimated that about 12 percent of the corn acreage of the commercial corn area will be in compliance and entitled to this support price.

For corn producers in the noncommercial area, the support price is \$1.02.

It is estimated that next year the support price for the small percentage which is in compliance will be about \$1.32 a bushel under existing law. That will mean that all of the corn produced outside the Corn Belt will be entitled to a support price of approximately 99 cents a bushel.

Under the bill we are presently considering it is estimated the support price

for corn next year will be \$1.15 a bushel, clear across the country, regardless of whether the corn is grown, because there will be no commercial area or noncommercial area.

I should like to mention another matter of importance. I have seen figures cast around to show what the probable support prices for feed grains will be. No one can tell at this time exactly what the support price for each feed grain will be next year under the proposed law. However, the figures which have been generally thrown around assume that the support level will immediately drop to 60 percent of parity. That should not be assumed.

The Secretary, as of this year, had the right to fix the support price for feed grains anywhere from zero up to 90 percent of parity, and he has fixed them at 70 percent. The support price this year is 70 percent of parity, although the Secretary had full authority to set it at 60 percent if he so desired.

I would suggest that Members of the Senate should not pay too much attention to those figures which purport to indicate what the support price for feed grains will be next year, because we simply do not know. We know that under the bill the support prices for the other feed grains will be based on the support price for corn, after taking into consideration the comparable value of corn for feeding purposes, and other factors.

Mr. ELLENDER. Mr. President, I regret to have to oppose my good friend from Minnesota on his amendment. I wish to say to the Senate that the Committee on Agriculture and Forestry considered an amendment somewhat similar to the one we are now debating. The difference between the two is that, according to terms of the amendment presented to the Committee on Agriculture and Forestry, the support price proposed was 90 percent rather than 85 percent, and the amount to be deducted from the farmer's allotment was 25 percent instead of the 20 percent included in the pending amendment.

Mr. President, as it was explained to the committee, if this proposal were enacted, it would impose an insurmountable burden upon the Department of Agriculture, in my judgment. I have no doubt that this proposal would result in the hiring of a great many more employees. I say this for the simple reason that, if this amendment is enacted, it would become necessary for the Department to ascertain how many acres of corn or sorghum or oats or rye or barley were planted on a given farm during the past 3 years. That would have to be done before a farmer could take advantage of the 85-percent price support.

This amendment also seeks to divide feed grains into primary and secondary feed grains. Corn and sorghum would be in the primary class, and it would become necessary for the Department of Agriculture to determine the average amount of corn planted during the last 3 years and the average amount of sorghum planted during the last 3 years by each farmer who desires to take advantage of the 85-percent price support. Then the Department of Agriculture



would have to deduct from that 20 percent of such average acreage. The same procedure would be true of the secondary feed grains, oats, rye, and barley.

There is also another factor. The corn farmers of the Nation have been struggling for the past few years to have acreage allotments removed. This amendment, if adopted, would be effective only for 3 years. At the end of that time we would go back to the present program, which has not worked, and which has been objectionable to the corn farmer.

It will be recalled by Senators that the allotted acreage today is so small that very few farmers—38 percent, to give the exact figure—take advantage of the

price-support program. There is a provision in the pending bill which would remove all acreage restrictions as to corn and feed grains. It is more or less in the nature of permanent legislation. Farmers would be permitted to plant whatever they desired, whether it be corn, rye, oats, barley, or sorghum.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table which shows the compliance and noncompliance of corn farmers to acreage allotments during the 1955, 1956, and 1957 programs.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Corn: Compliance report for 1955, 1956, and 1957 programs*<sup>1</sup>

[Data for commercial corn-producing area only]

| Program year | Number of farms |           |                          | Corn acreage allotment |                    |                                       | Acreage planted to corn |                         |                                     |
|--------------|-----------------|-----------|--------------------------|------------------------|--------------------|---------------------------------------|-------------------------|-------------------------|-------------------------------------|
|              | Total           | Complying | Percent, farms complying | Total                  | On complying farms | Percent, allotment on complying farms | Total                   | On complying farms      | Percent, acreage on complying farms |
|              | (1)             | (2)       | (3)                      | (4)                    | (5)                | (6)                                   | (7)                     | (8)                     | (9)                                 |
| 1955.....    | 1,622,440       | 833,982   | 51.4                     | 49,672,496             | 26,921,321         | 54.2                                  | 54,210,762              | 21,924,896              | 40.5                                |
| 1956.....    | 1,697,845       | 746,010   | 43.9                     | 43,135,862             | 19,778,469         | 45.9                                  | <sup>2</sup> 53,025,184 | <sup>2</sup> 16,261,799 | 30.7                                |
| 1957.....    | 1,790,299       | 690,651   | 38.6                     | 37,103,899             | 13,442,306         | 36.2                                  | 50,937,498              | <sup>2</sup> 7,061,622  | 14.0                                |

<sup>1</sup> Data on farms checked for compliance with allotment and Soil Bank programs.

<sup>2</sup> Includes 1,943,155 acres of corn destroyed to comply with allotment and Soil Bank programs.

<sup>3</sup> Includes 61,297 acres of corn destroyed to comply with allotment and Soil Bank programs. This item does not include Soil Bank reserve acres signed up within the allotments of 5,218,560 acres. Most of this reserve would have been planted to corn.

Source: Grain Division, CSS, Agriculture—Washington, July 23, 1958.

Mr. AIKEN. I return to the proposition that, in my judgment, this program would be unworkable; and if it were adopted, the present program would again become effective. It has been objectionable throughout the years, and I am sure that the corn farmers, as well as all other grain growers, would prefer to have a permanent program, such as is provided in the pending bill.

This amendment would strike out the corn and feed grain provisions of the bill and provide instead, with respect to the 1959, 1960, and 1961 crops, for: First, suspension of corn acreage allotments; second, establishment of farm corn-sorghum bases and secondary feed grain bases approximately equal to their 1956, 1957, and 1958 average acreage planted to, or diverted from, corn and sorghum, or secondary feed grains, respectively; third, either (i) price support through purchase for corn at 85 percent of parity, and for secondary feed grains at a comparable level, if the farm operator elects to reduce his corn sorghum and feed grain acreage by at least 20 percent below his corn-sorghum and secondary feed grain bases and devote at least such 20 percent to the conservation reserve; or (ii) price support for corn and feed grains at the levels provided by the bill as it was reported from the committee, if the farm operator does not elect so to reduce his acreage; fourth, sale of Commodity Credit Corporation stocks of feed grains at 5 percent above the lower support level, plus reasonable carrying charges.

Notwithstanding any time or monetary limitations on the conservation-reserve program, each producer electing to reduce acreage and take the higher support level would be permitted to participate in the conservation-reserve program to the extent necessary to qualify for the higher support.

This would provide only a temporary program at the end of which we would revert to the present program. A similar amendment was considered and rejected by the committee. It would move in the direction of further controls, while corn producers have generally indicated they do not wish to subject themselves to controls. It would require allotments for the feed grains other than corn, which have never been subject to allotments, and the Department advises that it would have great difficulty obtaining the necessary data. It would provide 85 percent of parity support for a commodity not subject to marketing quotas and penalties in return for a voluntary reduction of 20 percent from recent acreages, while producers of other commodities have taken more substantial cuts. It would permit corn producers to plant a greater acreage of corn in the commercial area than the present allotment provides and receive support at 85 percent of parity.

I hope the amendment will be defeated.

Mr. President, I yield 5 minutes to the Senator from Iowa [Mr. HICKENLOOPER].

Mr. HICKENLOOPER. Mr. President, I thank the Senator from Louisiana. I hope I shall not take the time of the Senate for 5 minutes.

This particular amendment was presented to the committee, thoroughly considered, and rejected by the committee. As the Senator from Louisiana has pointed out, it provides for a system of measurement of farms which is today not in existence, so far as the machinery is concerned. It would require a horde of new officials all over the United States to measure and ascertain the so-called feed grain base for each farm in the United States—especially each farm whose operator wished to take advantage of the provision.

It seems to me that under the circumstances the proposal would not only be unworkable, but would be extremely expensive.

I invite the attention of Senators to the fact that the only time in recent years when corn farmers have had an opportunity to vote on the situation, while only 25 or 26 percent actually voted, 63 percent of those who voted, voted to eliminate acreage allotments and operate on an unallocated acreage basis.

Another feature which is somewhat incongruous is this: This afternoon the Senator from Illinois [Mr. DIRKSEN] proposed a cutoff date in his amendment relating to the price-support program on cotton, rice, corn, and feed grains. That was objected to strenuously. It was said that what was desired was a permanent program. It was said that there must not be a cutoff date. Now we have a cutoff date amendment from the very ones who were objecting so much to a cutoff date. They bring forward an amendment with a cutoff date in it.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. HUMPHREY. The Senator from Minnesota did not object to a cutoff date. I believe a cutoff date is very desirable.

Mr. HICKENLOOPER. I understand that the Senator from Minnesota vigorously opposed the amendment of the Senator from Illinois [Mr. DIRKSEN].

Mr. HUMPHREY. The cutoff date was merely a flyspeck on a bad pie.

Mr. HICKENLOOPER. The cutoff date was the sole issue in the amendment of the Senator from Illinois.

Mr. HUMPHREY. I regret to say that the main effect of that amendment would have been to eliminate the floors which were provided in the committee bill, which I thought were desirable.

Mr. HICKENLOOPER. In any event, this amendment proposes to put into effect a most complicated system. We considered it thoroughly in the Committee on Agriculture and Forestry, and it was rejected. I hope the Senate will support the simple, workable, and what I believe to be economical provisions of the bill as it came from the Senate Committee on Agriculture and Forestry, as a step forward in attempting to make farm products commercially competitive in a reasonably protected economy. I do not



believe the proposed program would do it. I believe that the bill as it came from the committee would do it, and I hope the Senate will reject the pending amendment.

Mr. ELLENDER. Mr. President, unless some other Senator desires to speak, I am ready to relinquish the remainder of my time.

The PRESIDING OFFICER. The time of the Senator from Minnesota [Mr. HUMPHREY] is exhausted. All time having been either exhausted or yielded back, the question is on agreeing to the amendment offered by the Senator from Minnesota.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the yeas and nays be ordered on the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JORDAN (when his name was called). On this vote I have a pair with the junior Senator from Colorado [Mr. CARROLL]. If he were present and voting he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. CARROLL], the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate attending the 49th Congress of the Interparliamentary Union at Rio de Janeiro, Brazil.

The Senator from Arkansas [Mr. McCLELLAN] is absent because of a death in his family.

On this vote the Senator from Missouri [Mr. HENNINGS] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Missouri would vote "yea" and the Senator from Florida would vote "nay." The Senator from Montana [Mr. MURRAY] is paired with the Senator from Delaware [Mr. FREAR]. If present and voting, the Senator from Montana would vote "yea" and the Senator from Delaware would vote "nay."

I further announce that if present and voting, the Senator from Virginia [Mr. BYRD] and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from South Dakota [Mr. CASE] and the Senator from West Virginia [Mr. HOBLITZELL] are absent because of official business having been appointed by the Vice President to attend the 49th Congress of the Interparliamentary Union in Rio de Janeiro.

The Senator from Vermont [Mr. FLANDERS], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Maine [Mr. PAYNE], and the Senator from Michigan [Mr. POTTER] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES], and the Senator from New Jersey [Mr. SMITH] are detained on official business.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from West Virginia [Mr. HOBLITZELL], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Maine [Mr. PAYNE], the Senator from Michigan [Mr. POTTER], and the Senator from New Jersey [Mr. SMITH], would each vote "nay."

The result was announced—yeas, 23, nays 55, as follows:

## YEAS—23

|                 |           |           |
|-----------------|-----------|-----------|
| Church          | Kennedy   | Mundt     |
| Clark           | Kerr      | Neuberger |
| Cooper          | Langer    | Proxmire  |
| Douglas         | Magnuson  | Symington |
| Humphrey        | Mansfield | Thye      |
| Jackson         | McNamara  | Wiley     |
| Johnson, Tex.   | Monroney  | Young     |
| Johnston, S. C. | Morse     |           |

## NAYS—55

|          |             |           |
|----------|-------------|-----------|
| Aiken    | Bush        | Dirksen   |
| Allott   | Butler      | Dworshak  |
| Anderson | Capehart    | Eastland  |
| Barrett  | Carlson     | Ellender  |
| Beall    | Case, N. J. | Ervin     |
| Bennett  | Chavez      | Fulbright |
| Bible    | Cotton      | Goldwater |
| Bricker  | Curtis      | Gore      |

Green  
Hayden  
Hickenlooper  
Hill  
Hruska  
Ives  
Javits  
Jenner  
Kefauver  
Knowland  
Kuchel

Lausche  
Long  
Malone  
Martin, Iowa  
Morton  
O'Mahoney  
Pastore  
Purtell  
Revercomb  
Robertson  
Russell

Saltonstall  
Schoeppel  
Smith, Maine  
Sparkman  
Stennis  
Talmadge  
Thurmond  
Watkins  
Williams

## NOT VOTING—18

Bridges  
Byrd  
Carroll  
Case, S. Dak.  
Flanders  
Frear

Hennings  
Hoblitzell  
Holland  
Jordan  
Martin, Pa.  
McClellan

Murray  
Payne  
Potter  
Smathers  
Smith, N. J.  
Yarborough

So Mr. HUMPHREY's amendment was rejected.

Mr. DIRKSEN. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

### LEGISLATIVE BRANCH APPROPRIATION BILL, 1959—CONFERENCE REPORT

Mr. STENNIS. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13066) making appropriations for the legislative branch for the fiscal year ending June 30, 1959, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read, for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of July 24, 1958, p. 13595, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. STENNIS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table which reflects the action of the two Houses on the legislative branch appropriation bill, as well as the final amounts agreed to in conference.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

### Legislative appropriation bill, 1959—Legislative branch

| Legislative branch                                          | Appropriations, 1958 | Estimates, 1959 | House bill | Senate bill | Conference action |
|-------------------------------------------------------------|----------------------|-----------------|------------|-------------|-------------------|
| <b>SENATE</b>                                               |                      |                 |            |             |                   |
| Senators:                                                   |                      |                 |            |             |                   |
| Compensation of Senators.....                               | \$2,328,245          | \$2,328,245     |            | \$2,328,245 | \$2,328,245       |
| Mileage of the President of the Senate and of Senators..... | 51,000               | 51,000          |            | 51,000      | 51,000            |
| Expense allowance for majority and minority leaders.....    | 4,000                | 4,000           |            | 4,000       | 4,000             |
| Compensation of the Vice President.....                     | 37,695               | 37,695          |            | 37,695      | 37,695            |
| Expense allowance of the Vice President.....                | 10,000               | 10,000          |            | 10,000      | 10,000            |
| Beneficiaries of deceased Senators.....                     | 45,000               |                 |            |             |                   |
| Total, Senators.....                                        | 2,475,940            | 2,430,940       |            | 2,430,940   | 2,430,940         |



## Legislative appropriation bill, 1959—Legislative branch—Continued

| Legislative branch                                                     | Appropriations, 1958 | Estimates, 1959 | House bill   | Senate bill | Conference action |
|------------------------------------------------------------------------|----------------------|-----------------|--------------|-------------|-------------------|
| <b>SENATE—Continued</b>                                                |                      |                 |              |             |                   |
| Salaries of officers and employees:                                    |                      |                 |              |             |                   |
| Office of the Vice President.....                                      | \$101,925            | \$101,925       |              | \$101,925   | \$101,925         |
| Chaplain.....                                                          | 5,000                | 5,000           |              | 5,000       | 5,000             |
| Office of the Secretary of the Senate.....                             | 572,915              | 572,915         |              | 572,915     | 572,915           |
| Committee employees.....                                               | 2,030,650            | 2,030,650       |              | 2,030,650   | 2,030,650         |
| Conference committees:                                                 |                      |                 |              |             |                   |
| Majority, clerical salaries.....                                       | 40,000               | 40,000          |              | 40,000      | 40,000            |
| Minority, clerical salaries.....                                       | 40,000               | 40,000          |              | 40,000      | 40,000            |
| Administrative and clerical assistants to Senators.....                | 9,648,000            | 9,664,000       |              | 10,664,000  | 9,664,000         |
| Office of the Sergeant at Arms and Doorkeeper.....                     | 1,782,420            | 1,846,575       |              | 2,056,570   | 2,050,910         |
| Office of secretaries for the majority and minority, salaries.....     | 94,950               | 94,950          |              | 98,240      | 98,240            |
| Office of the majority and minority whips.....                         | 20,045               | 20,045          |              | 20,045      | 20,045            |
| Total, salaries of officers and employees.....                         | 14,335,905           | 14,416,060      |              | 14,629,645  | 14,623,685        |
| Office of Legislative Counsel of the Senate:                           |                      |                 |              |             |                   |
| Salaries and expenses.....                                             | 187,385              | 192,000         |              | 187,385     | 187,385           |
| Senate procedure.....                                                  |                      |                 |              | 10,000      | 10,000            |
| Total.....                                                             | 187,385              | 192,000         |              | 197,385     | 197,385           |
| Contingent expenses:                                                   |                      |                 |              |             |                   |
| Legislative reorganization.....                                        | 106,500              | 106,500         |              | 106,500     | 106,500           |
| Senate policy committees.....                                          | 223,650              | 223,650         |              | 223,650     | 223,650           |
| Joint Committee on the Economic Report.....                            | 156,360              | 143,360         |              | 143,360     | 143,360           |
| Joint Committee on Atomic Energy.....                                  | 234,385              | 234,385         |              | 233,520     | 233,520           |
| Joint Committee on Printing.....                                       | 66,840               | 66,840          |              | 73,900      | 73,900            |
| Committee on Rules and Administration.....                             | 32,990               | 32,990          |              | 35,010      | 35,010            |
| Vice President's automobile.....                                       | 7,600                | 7,600           |              | 7,600       | 7,600             |
| Automobile for the President pro tempore.....                          | 7,100                | 12,600          |              | 12,600      | 12,600            |
| Automobiles for majority and minority leaders.....                     | 14,200               | 25,200          |              | 25,200      | 25,200            |
| Reporting Senate proceedings.....                                      | 188,825              | 188,825         |              | 188,825     | 188,825           |
| Furniture.....                                                         | 31,190               | 31,190          |              | 31,190      | 31,190            |
| Inquiries and investigations.....                                      | 3,160,000            | 3,160,000       |              | 3,160,000   | 3,160,000         |
| Folding documents.....                                                 | 29,000               | 29,000          |              | 29,000      | 29,000            |
| Senate restaurants.....                                                | 85,000               | 85,000          |              | 85,000      | 85,000            |
| Mail transportation.....                                               | 16,560               | 16,560          |              | 16,560      | 16,560            |
| Miscellaneous items.....                                               | 1,455,000            | 1,498,645       |              | 1,601,245   | 1,601,245         |
| Postage stamps.....                                                    | 40,275               | 39,775          |              | 45,960      | 45,960            |
| Stationery.....                                                        | 187,500              | 187,500         |              | 187,500     | 187,500           |
| Communications.....                                                    | 14,550               | 14,550          |              | 14,550      | 14,550            |
| Total contingent expenses.....                                         | 6,057,525            | 6,104,170       |              | 6,221,170   | 6,221,170         |
| Total, Senate.....                                                     | 23,056,755           | 23,143,170      |              | 23,479,140  | 23,473,180        |
| <b>HOUSE OF REPRESENTATIVES</b>                                        |                      |                 |              |             |                   |
| Compensation of Members.....                                           | 10,638,000           | 10,638,000      | \$10,638,000 | 10,638,000  | 10,638,000        |
| Mileage and expense allowance of Speaker.....                          | 200,000              | 200,000         | 200,000      | 200,000     | 200,000           |
| Salaries, officers and employees:                                      |                      |                 |              |             |                   |
| Office of the Speaker.....                                             | 53,075               | 53,075          | 53,075       | 53,075      | 53,075            |
| Office of the Parliamentarian.....                                     | 58,325               | 60,265          | 60,265       | 60,265      | 60,265            |
| Office of the Chaplain.....                                            | 7,450                | 7,450           | 7,450        | 7,450       | 7,450             |
| Office of the Clerk.....                                               | 937,770              | 937,070         | 937,070      | 937,070     | 937,070           |
| Committee employees.....                                               | 2,270,000            | 2,400,000       | 2,400,000    | 2,400,000   | 2,400,000         |
| Office of the Sergeant at Arms.....                                    | 497,660              | 497,660         | 497,660      | 514,620     | 514,620           |
| Office of the Doorkeeper.....                                          | 863,725              | 874,095         | 874,095      | 874,095     | 874,095           |
| Minority employees.....                                                | 244,580              | 244,580         | 244,580      | 244,580     | 244,580           |
| Office of the Postmaster.....                                          | 251,425              | 259,815         | 259,815      | 259,815     | 259,815           |
| Official Reporters of Debates.....                                     | 158,255              | 158,255         | 158,255      | 158,255     | 158,255           |
| Official reporters to committees.....                                  | 159,840              | 159,840         | 159,840      | 159,840     | 159,840           |
| Appropriations Committee.....                                          | 500,000              | 500,000         | 500,000      | 500,000     | 500,000           |
| Legislative Counsel.....                                               | 174,000              | 186,000         | 186,000      | 186,000     | 186,000           |
| Total salaries, officers and employees.....                            | 6,166,105            | 6,338,105       | 6,338,105    | 6,355,065   | 6,355,065         |
| Clerk hire, Members and Delegates.....                                 | 14,600,000           | 15,000,000      | 15,000,000   | 15,000,000  | 15,000,000        |
| Contingent expenses:                                                   |                      |                 |              |             |                   |
| Furniture.....                                                         | 231,800              | 231,800         | 231,800      | 231,800     | 231,800           |
| Miscellaneous items.....                                               | 1,885,000            | 2,296,400       | 2,196,400    | 2,196,400   | 2,196,400         |
| Reporting hearings.....                                                | 120,000              | 125,000         | 125,000      | 125,000     | 125,000           |
| Special and select committees.....                                     | 2,275,000            | 2,000,000       | 2,000,000    | 2,000,000   | 2,000,000         |
| Joint Committee on Internal Revenue Taxation.....                      | 230,000              | 240,000         | 240,000      | 240,000     | 240,000           |
| Joint Committee on Immigration and Nationality Policy.....             | 20,000               | 20,000          | 20,000       | 20,000      | 20,000            |
| Office of Coordinator of Information.....                              | 89,795               | 89,795          | 89,795       | 89,795      | 89,795            |
| Telegraph and telephone.....                                           | 975,000              | 1,300,000       | 1,300,000    | 1,300,000   | 1,300,000         |
| Stationery.....                                                        | 525,600              | 525,600         | 525,600      | 525,600     | 525,600           |
| Attending physician's office.....                                      | 12,145               | 13,145          | 13,145       | 13,145      | 13,145            |
| Postage stamps.....                                                    | 92,760               | 138,460         | 138,460      | 138,460     | 138,460           |
| Folding documents.....                                                 | 175,000              | 200,000         | 200,000      | 200,000     | 200,000           |
| Revision of laws.....                                                  | 16,500               | 16,500          | 16,500       | 16,500      | 16,500            |
| Speaker's automobile.....                                              | 8,000                | 16,000          | 16,000       | 16,000      | 16,000            |
| Automobile for the majority leader.....                                | 8,000                | 16,000          | 16,000       | 16,000      | 16,000            |
| Automobile for the minority leader.....                                | 8,000                | 16,000          | 16,000       | 16,000      | 16,000            |
| New edition of United States Code.....                                 | 100,000              |                 |              |             |                   |
| New edition of District of Columbia Code.....                          | 100,000              |                 |              |             |                   |
| Payments to widows of deceased Members.....                            | 202,500              |                 |              |             |                   |
| Total, contingent expenses.....                                        | 7,075,100            | 7,244,700       | 7,144,700    | 7,144,700   | 7,144,700         |
| Total, House of Representatives.....                                   | 38,679,205           | 39,420,805      | 39,320,805   | 39,337,765  | 39,337,765        |
| <b>LEGISLATIVE MISCELLANEOUS</b>                                       |                      |                 |              |             |                   |
| Capitol Police:                                                        |                      |                 |              |             |                   |
| General expenses.....                                                  | 35,520               | 30,380          | 30,380       | 36,700      | 36,700            |
| Capitol Police Board.....                                              | 82,780               | 89,236          | 89,236       | 89,236      | 89,236            |
| Total, Capitol Police.....                                             | 118,300              | 119,616         | 119,616      | 125,936     | 125,936           |
| Joint Committee on Reduction of Nonessential Federal Expenditures..... | 22,500               |                 |              | 22,500      | 22,500            |
| Education of pages.....                                                | 52,800               | 53,500          | 53,500       | 53,500      | 53,500            |
| Statement of appropriations.....                                       | 10,000               | 10,000          | 8,000        | 8,000       | 8,000             |
| Penalty mail.....                                                      | 2,081,000            | 2,259,000       | 2,259,000    | 2,259,000   | 2,259,000         |



## Legislative appropriation bill, 1959—Legislative branch—Continued

| Legislative branch                                                                          | Appropriations, 1958 | Estimates, 1959    | House bill        | Senate bill        | Conference action  |
|---------------------------------------------------------------------------------------------|----------------------|--------------------|-------------------|--------------------|--------------------|
| <b>ARCHITECT OF THE CAPITOL</b>                                                             |                      |                    |                   |                    |                    |
| Salaries, Office of the Architect.....                                                      | \$239,800            | \$271,500          | \$252,225         | \$252,225          | \$252,225          |
| Contingent expenses.....                                                                    | 50,000               | 50,000             | 50,000            | 50,000             | 50,000             |
| Capitol Buildings and Grounds.....                                                          | 901,800              | 893,600            | 893,600           | 893,600            | 893,600            |
| Capitol Grounds.....                                                                        | 307,000              | 317,600            | 317,600           | 317,600            | 317,600            |
| Legislative garage.....                                                                     | 40,300               | 42,000             | 42,000            | 42,000             | 42,000             |
| Subway transportation.....                                                                  | 4,500                | 6,000              | 6,000             | 6,000              | 6,000              |
| Senate Office Building.....                                                                 | 1,320,400            | 1,822,000          |                   | 1,822,000          | 1,822,000          |
| Additional office buildings for U. S. Senate.....                                           | 2,846,000            |                    |                   |                    |                    |
| Furniture and furnishings, additional Senate Office Building.....                           | 1,000,000            |                    |                   |                    |                    |
| Remodeling Senate Office Building.....                                                      | 250,000              |                    |                   |                    |                    |
| Extension of additional Senate building site.....                                           |                      | 965,000            |                   | 965,000            | 965,000            |
| House Office Buildings.....                                                                 | 1,258,000            | 1,283,400          | 1,283,400         | 1,283,400          | 1,283,400          |
| Additional House Office Building, acquisitions of property, construction and equipment..... | 7,500,000            | 22,500,000         | 22,500,000        | 22,500,000         | 22,500,000         |
| Capitol powerplant.....                                                                     | 1,700,000            | 1,769,000          | 1,738,000         | 1,730,221          | 1,738,000          |
| Library Building and Grounds:                                                               |                      |                    |                   |                    |                    |
| Structural and mechanical care.....                                                         | 774,200              | 747,400            | 693,400           | 693,400            | 693,400            |
| Furniture and furnishings.....                                                              | 67,000               | 89,800             | 75,000            | 75,000             | 75,000             |
| <b>Total, Architect of the Capitol.....</b>                                                 | <b>18,259,000</b>    | <b>30,757,300</b>  | <b>27,845,225</b> | <b>30,630,446</b>  | <b>30,638,225</b>  |
| <b>BOTANIC GARDEN</b>                                                                       |                      |                    |                   |                    |                    |
| Salaries and expenses.....                                                                  | 275,500              | 385,500            | 385,500           | 385,500            | 385,500            |
| Relocation of greenhouses.....                                                              |                      | 587,000            | 587,000           | 587,000            | 587,000            |
| <b>Total, Botanic Garden.....</b>                                                           | <b>275,500</b>       | <b>972,500</b>     | <b>972,500</b>    | <b>972,500</b>     | <b>972,500</b>     |
| <b>LIBRARY OF CONGRESS</b>                                                                  |                      |                    |                   |                    |                    |
| Salaries and expenses.....                                                                  | 5,875,000            | 6,271,686          | 6,171,686         | 6,224,851          | 6,200,000          |
| Copyright Office.....                                                                       | 1,390,000            | 1,274,056          | 1,274,056         | 1,274,056          | 1,274,056          |
| Legislative Reference Service.....                                                          | 1,200,000            | 1,277,311          | 1,250,000         | 1,265,000          | 1,265,000          |
| Distribution of catalog cards.....                                                          | 1,668,000            | 1,777,535          | 1,777,535         | 1,777,535          | 1,777,535          |
| Increase of the Library of Congress:                                                        |                      |                    |                   |                    |                    |
| General increase of the Library.....                                                        | 320,000              | 320,000            | 320,000           | 320,000            | 320,000            |
| Increase of the Law Library.....                                                            | 90,000               | 90,000             | 90,000            | 90,000             | 90,000             |
| Books for the Supreme Court.....                                                            | 27,500               | 30,000             | 30,000            | 30,000             | 30,000             |
| Books for the blind.....                                                                    | 1,200,000            | 1,355,000          | 1,355,000         | 1,355,000          | 1,355,000          |
| Organizing and microfilming the papers of Presidents.....                                   |                      | 720,000            | 100,000           | 100,000            | 100,000            |
| <b>Total, Library of Congress.....</b>                                                      | <b>11,740,500</b>    | <b>13,115,588</b>  | <b>12,368,277</b> | <b>12,436,442</b>  | <b>12,411,591</b>  |
| <b>GOVERNMENT PRINTING OFFICE</b>                                                           |                      |                    |                   |                    |                    |
| Printing and binding.....                                                                   | 10,000,000           | 10,700,000         | 10,700,000        | 10,700,000         | 10,700,000         |
| Office of Superintendent of Documents.....                                                  | 3,175,000            | 3,295,190          | 3,295,190         | 3,295,190          | 3,295,190          |
| <b>Total, Government Printing Office.....</b>                                               | <b>13,175,000</b>    | <b>13,995,190</b>  | <b>13,995,190</b> | <b>13,995,190</b>  | <b>13,995,190</b>  |
| <b>Total, Legislative Branch.....</b>                                                       | <b>107,500,560</b>   | <b>123,846,669</b> | <b>96,942,113</b> | <b>123,320,419</b> | <b>123,297,387</b> |

Mr. STENNIS. Mr. President, the report is a unanimous one on the part of the conferees of both Houses.

I move the adoption of the report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 13066, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,  
July 25, 1958.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 17, 20, 38, 40, 42, 43, 44, 47, 50, 54, and 55 to the bill (H. R. 13066) entitled "An act making appropriations for the legislative branch for the fiscal year ending June 30, 1959, and for other purposes," and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 16, and concur therein with an amendment, as follows:

In lieu of the sum first named in said amendment, insert "\$2,050,910."

That the House recede from its disagreement to the amendment of the Senate numbered 56, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

"Sec. 105. Effective July 1, 1958, the annual rates of basic compensation of the following members of the Capitol Police with more than 4 years' service shall be: Lieutenants, \$3,000; special officers, \$3,000; sergeants, \$2,700; and privates, \$2,340. In computing length of service for the purposes of this paragraph, there shall be credited

all service performed within any 5-year period, whether or not continuous, as a member of the Capitol Police. A change in the rate of compensation based on the completion of 4 years' service shall be effective on the first day of the first pay period which begins after such completion."

Mr. STENNIS. Mr. President, I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 16 and 56. These pertain to the salaries of the Capitol Police officers and to some additional research employees of the Library of Congress.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to.

#### AMENDMENT OF DISTRICT OF COLUMBIA TEACHERS' SALARY ACT OF 1955

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 13132) to amend the District of Columbia Teachers' Salary Act of 1955, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BIBLE. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. FREAR, Mr. PROXMIER, Mr. MORSE, Mr. BEALL, and Mr. MORTON conferees on the part of the Senate.

#### THE INTERSTATE HIGHWAY SYSTEM

Mr. CHAVEZ. Mr. President, the New York Times as of this date has an article entitled "Contracts Up 50 Percent for Road Building," and indicates that it is a result of the antirecession program brought about by the Congress on recommendations of the Public Works Committee of both Houses.

I ask unanimous consent that the said article be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONTRACTS UP 50 PERCENT FOR ROAD BUILDING—JUNE AWARDS \$195 MILLION—\$133 MILLION ALSO GIVEN IN HIGHWAY AID BY UNITED STATES

WASHINGTON, July 24.—The volume of construction contracts awarded for the Interstate Highway System last month was almost double that of the month before, the Bureau of Public Roads reported today.

June contract awards amounted to \$195 million, covering 369 miles, compared to \$105 million in May, for 215 miles.

In addition, the Bureau reported \$133 million of contract awards for 1,998 miles of Federal-aid primary and secondary highways and their urban extensions.



A spurt in highway building in recent months has been a factor in keeping construction activity strong, helping to offset the cutback in expansion of industrial facilities.

This year's Federal highway legislation, made liberal in the name of combating recession, included a special \$400 million Federal-aid fund.

The Bureau reported that under this program, as of June 30, construction was underway on 358 miles. The estimated cost of this mileage is \$24,700,000, of which \$16,600,000 is Federal funds.

Interstate highway construction underway on June 30 totaled 3,167 miles, estimated to cost \$1,740,000,000. On the lesser roads—primary, secondary and urban—construction was underway on 23,330 miles, estimated to cost \$2,220,000,000.

Other economic reports of the day showed department store sales continuing to exceed last year's levels, and railroad freight business staging a revival from lower levels in early July.

The Federal Reserve Board reported that department store sales last week were 2 percent greater than in the same week last year. Sales were improved in 7 of the 12 Federal Reserve districts.

Department store business has been better than a year ago for a number of weeks, but for the 6½ months since January 1 it trails last year by 2 percent. Only the New York district has shown an improvement over last year, and that only 1 percent.

The Association of American Railroads reported that freight car loadings last week had totaled 381,817 cars, which was 18.5 percent greater than the week before. Loadings continued to be substantially below year-ago levels, however. Last week's figure was 21.7 percent lower than the same week last year.

#### AGRICULTURAL ACT OF 1958

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

Mr. GOLDWATER. Mr. President, I call up my amendment identified as "7-14-58—A," and ask that it be stated.

The PRESIDING OFFICER (Mr. CLARK in the chair). The amendment will be stated.

The CHIEF CLERK. On page 3, it is proposed to strike out the sentence beginning on line 22 and ending on line 25, which reads as follows:

The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm acreage allotments.

The PRESIDING OFFICER. Under the unanimous-consent agreement, 30 minutes is available to the Senator from Arizona. How much time does he yield to himself?

Mr. GOLDWATER. Approximately 5 minutes, Mr. President.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 5 minutes.

Mr. GOLDWATER. Mr. President, one of the most important aspects of Senate bill 4071, as it applies to cotton, is that it makes it possible for the cotton industry to embark on a program of producing good quality cotton at a price the market will pay. The amendment which I propose would in no way penalize producers, no matter where they may be located, who are able and willing to produce cotton for other than Federal Gov-

ernment storage. My amendment would provide for the gradual location of cotton acreage in the areas where cotton of good quality can be economically produced.

Just as cattle production has gradually shifted into the Southeast, because of economic factors, so should cotton be permitted to seek its own best environment. If the livestock industry had been put on a basis comparable to that imposed on the cotton industry, the shift in cattle population would not have been nearly so dramatic. But even in the face of this economic shift, the efficient livestock men in the West are still in the business and, I venture to say, are doing as well as their colleagues in the newer cattle areas. But if, by Government edict, areas of livestock production had been frozen at some arbitrary point, what chance would the new areas have had to develop the efficient operations which today are so prevalent in the Southeast?

Yet here we have before us proposed legislation which would impose just such a freeze on cotton producers. Senate bill 4071 provides for a 40-percent increase in acreage for producers who are willing to accept a reduction of 15 parity points in support price, but disallows the increased acres for history purposes.

Let us examine this proposition mathematically, from the viewpoint of an individual cotton producer. We shall use approximate figures for an Arizona producer: Assuming that he had a 50-acre allotment in 1958, his 1959 choice A allotment would be a reduction of 8 percent, leaving him 46 acres. If he produced 1,000 pounds an acre, his total yield would be 46,000 pounds. We do not know what the Government purchase price would be under choice A in 1959, but 35 cents a pound might be a close guess; and that price would gross him \$16,100. Production costs vary from farm to farm; but using 23 cents a pound, which is substantially the average in Arizona, he would have production costs of \$10,580, leaving a net of \$5,520. If he should select choice B, he would receive a 40-percent increase in acreage, so his allotment would be 64.40 acres. Fifteen parity points would be the equivalent of a reduction of more than 5 cents a pound in the support level. Assuming the same 1,000-pound yield, he would produce 64,400 pounds of cotton; and, using 5 cents less than the 35 cents we used in choice A, he would gross \$19,320. Taking the benefit of a doubt on such a relatively small acreage increase, let us assume that he cuts his production costs to 21 cents a pound. In this case his net would be \$5,796, or only \$276 more than under plan A. Any substitute crop on the additional acres that would net \$15 or more an acre would yield more income, in combination with choice A, than would choice B under these conditions.

What, then, is the incentive and why do we want to make choice B possible? Well, one incentive is that the farmer can decide to gamble that he can produce a high-quality cotton and sell his crop on the open market in excess of the support price. Another incentive would

be to protect, strengthen, and stabilize the cotton industry by starting in the direction of producing in quantity a quality product at a price the market will absorb.

But is it fair to ask some producers to bail the industry out of serious difficulty and then, when they have succeeded, to distribute the fruits of their success back among those who chose to remain a part of the problem rather than become a part of the solution?

It seems much fairer to me, and it also makes more sense economically, to allow the additional acres used under choice B to be counted for history purposes; so that as markets expand and increased acreages are needed, the increases can be returned, to a large degree, to the farms that provided the solution.

S. 4071, with its provisions for price supports based on the 3 previous years' average market prices, certainly moves in the right direction. My amendment would speed the transition to a freer cotton industry, with the right to produce determined economically rather than politically.

I think the cotton industry is slowly coming to realize that until it again comes under the operations of the law of supply and demand and has its prices determined by that law, rather than by the law of the Congress, it is going to be in trouble.

We in the Far West, in California, Arizona, New Mexico, and parts of Texas—

The PRESIDING OFFICER. The time of the Senator from Arizona has expired.

Mr. GOLDWATER. I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator from Arizona is recognized for an additional 5 minutes.

Mr. GOLDWATER. That part of the United States can produce cotton much cheaper than can parts of the South which have historically produced cotton.

There has been a great transition in the raising of cattle from the plains and meadows of the West to the southeastern section of the United States, until I believe the Southeast is the largest producer of cattle in the United States.

My State of Arizona happens to lead the Nation in the growth of agricultural income. From 1946 to 1956, we have had a gain of 128.2 percent. In the same time, while we have had that astounding gain, there has been a reduction of cotton acreage, from 1953, when 682,000 acres were planted, to 1956, which is the last year for which I have figures, when 358,000 acres were planted.

It is true that as year succeeds year we slowly but surely increase our producing history, and thereby get a larger acreage allotment; but my argument is an economic one. My argument is that by the law of the land we are stifling a transition which would be natural without such a law. We are denying the farmers of the Deep South, where cotton has been historically grown, the right to withdraw from cotton production, if they cannot make any money, and go into some other line. We are also denying to the Far West, namely, California,



New Mexico, Arizona, and parts of Texas, the right to grow cotton, when they can grow it cheaper and better than can any other areas in the United States.

In 1953 cotton lint produced for Arizona \$218,608,000. In 1956 cotton lint produced only \$136,718,000.

These are economic arguments I am using, to try to convince my colleagues that the cotton provisions of agricultural laws have been in force too long, and that the country would be better off if cotton were sold on the open market under the operation of the law of supply and demand.

My amendment is directed to that end. My amendment would allow any increase of acreage which would occur under the adoption of plan B, should the farmer desire to use plan B, to be applied to his history, and not have only a temporary arrangement for 2 years, at the end of which Arizona, New Mexico, California, and west Texas cotton farmers would find themselves operating under the conditions which prevailed in 1958.

Mr. President, I do not wish to speak any longer on this proposal. It is an amendment which is vital to the western part of the United States. I believe it is very vital to the agricultural economy in that, if we can accomplish the objective, we shall take an important step toward getting out of the agricultural morass in which we have found ourselves in the past 10 years.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a statement which has been prepared by my staff, entitled "Principal Legislative Provisions Affecting Apportionment of Cotton Allotments Among States, Counties and Farms."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

**PRINCIPAL LEGISLATIVE PROVISIONS AFFECTING APPORTIONMENT OF COTTON ALLOTMENTS AMONG STATES, COUNTIES, AND FARMS**

1. Basically the Agricultural Adjustment Act of 1938, under which cotton acreage allotments operated from 1938 through 1943, provided that the national allotment be apportioned to States on basis of their respective baleage production for the 5 years preceding the year in which the national acreage for a crop year was apportioned to States. The State allotment was apportioned to counties on basis of past cotton acreage history.

2. There was no cotton allotment program for 1944 through 1949, during which time anyone was free to plant any acreage of cotton he wanted to or could anywhere he wanted to. In order to induce cotton farmers to grow more food and feed crops, the Congress enacted Public Law 12, 79th Congress, commonly referred to as the War Crop Act, which provided that certain crops, if planted in lieu of cotton during the years 1945 through 1947, would be considered as though planted to cotton in future State, county, and farm allotment determination.

3. In 1949, when it became quite obvious that allotments on cotton would by law be in effect for 1950, the Congress amended the act of 1938 to provide that the national allotment for 1950 and 1951 would be divided to States on basis of acreage planted to cotton (or war crops) in 1945, 1946, 1947, and 1948 with a proviso that no State base would be less than the larger of 95 percent of actual cotton planted in 1947 and 1948, or 85 percent of the acreage actually planted in 1948. The

1952 national allotment, had there been a program, was to have been divided to States on the basis of the cotton acreage planted (plus war crops credits) during the years 1946, 1947, 1948, and 1950. (The plantings of cotton in 1949 were excluded by law from counting in the future by Public Law 28, 81st Cong.).

4. The act provided that beginning with 1953 and subsequent crops that the national allotment would be apportioned to States on the basis of acreage planted in the 5 years preceding the year in which the annual apportionment was made.

5. In connection with the 1950 program there were about 550,000 acres additional allocated to certain farms under Public Law 471, 81st Congress, but such acreage was not to count as acreage history (344 (f) (5)).

6. The first year of national allotments on cotton after 1950 was 1954, when the base period for apportionment purpose was 1952, 1951, 1950, 1948, and 1947.

7. In connection with the 1954 crop there was about 3,465,000 acres added to the national allotment by Public Law 290, 83d Congress. A small portion of this acreage allocated to California, Arizona, and New Mexico, if planted, could not count as acreage history (344 (m) (1)) in the State. The additional acreage, where planted, could count as acreage history in the State, county, or farm.

8. In 1954 the 83d Congress passed Public Law 690 which added authority for county committees to apportion the county allotment (less reserves) to farms on which cotton had been planted in the last 3 years on the basis of their past 3-year average instead of on basis of the farm's cropland.

9. In 1956 the Congress under the Agricultural Act of 1956 (Public Law 540) provided that for 1957 and 1958 for 100,000-acre national reserve for small-farm minimums (1,000 acres for Nevada) which was in addition to the national allotment but provide that such acreage shall not count in establishing future State allotments.

10. The same act provided for 1957 and 1958 some additional acreage (94,000 acres in 1957 and 63,000 acres in 1958) to guarantee no State a cut of more than 1 percent from 1956 in its allotment but that such additional acreage would not count as acreage history in establishing future State acreage allotments. The act of 1956 provided that acreage diverted from cotton under the Soil Bank program would count as though planted to cotton. This act provided further for 1957, 1958, and 1959 all allotment assigned to a farm to count as though planted to cotton in future allotment determinations to the State, county or farm. In 1956 the farmer had to request that such acreage allotment be frozen as acreage history.

11. Except for the State acreage reserve generally speaking the same acreage considered to be planted in a county for purpose of dividing the State allotment to counties counts in the State in dividing the national allotment between States.

12. In order for a farm to be considered as eligible to share in the county allotment as an old cotton farm it must have had some cotton planted on it or considered to have been planted during at least 1 of the preceding 3 years.

13. One provision of the act of 1938 as amended since the enactment of amendments in 1949 that whenever the acreage planted to cotton is within 90 percent of the allotment for the farm the acreage planted shall be considered as 100 percent of the allotment. This is a permanent provision.

**WADIHA SALIME HAMADE**

Mr. EASTLAND. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield the floor?

Mr. GOLDWATER. No; I do not yield the floor. Did the Senator from Mississippi have a question?

Mr. EASTLAND. No; I desired to make a request.

The PRESIDING OFFICER. Does the Senator from Mississippi ask unanimous consent that he may make the request without the time being charged to either side?

Mr. DIRKSEN. Mr. President, I yield the Senator from Mississippi 1 minute on the bill.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 1 minute.

Mr. EASTLAND. Mr. President, I ask the Chair to lay before the Senate the amendment of the House of Representatives to S. 2239, for the relief of Wadiha Salime Hamade.

The Chair laid before the Senate the amendment of the House of Representatives to the bill (S. 2239) for the relief of Wadiha Salime Hamade, which was, to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrant of arrest, and bonds, which may have issued in the case of Wadiha Salime Hamade. From and after the date of the enactment of this act, the said Wadiha Salime Hamade shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrant and orders have issued.

Mr. EASTLAND. Mr. President, on June 17, 1958, the House of Representatives amended S. 2239. I move that the Senate disagree to the amendment of the House of Representatives, request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the presiding officer appointed Mr. EASTLAND, Mr. JOHNSTON of South Carolina, and Mr. WATKINS, conferees on the part of the Senate.

**AGRICULTURAL ACT OF 1958**

The Senate resumed the consideration of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona [Mr. GOLDWATER].

Mr. ELLENDER. Mr. President—

The PRESIDING OFFICER. How much time does the Senator from Louisiana allot himself?

Mr. ELLENDER. Five minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, I am sorry to have to oppose my friend from Arizona on this amendment. Under provisions of the pending bill, there are two groups of cotton farmers, choice A and choice B. The choice A farmers are those who remain within the allotted acres. Price supports for those cotton



farmers who remain under choice A will be as fixed by the Secretary of Agriculture, and will range between 75 percent and 90 percent of parity. The choice B farmers would have the opportunity of increasing their allotted acreage by 40 percent in return for which they will accept price supports 15 points under that received by choice A farmers.

Most of the large cotton growers are located in the West. Some, of course, are found in Mississippi, and a few in Louisiana, but primarily the large farms are in the West.

The purpose of the amendment offered by the Senator from Arizona is to have the 40-percent increase which would be allotted to choice B farmers counted for history. Of course, the amendment would work seriously against the small family cotton farmers of the South.

The reason why we put the 40-percent provision in the bill was to permit more cotton to be produced, because of the evident shortage of good cotton which now exists. The record shows that although we will have on hand as of August 31 8¼ million bales of cotton, only 2 million bales of this amount can be considered good cotton. The remainder is low-grade, short-cut, spotted cotton which was gathered last year during the rain. As Senators remember, much of the cotton which was finally gathered last year was wet, and had remained on the stalks for quite some time. In fact, some cotton could not be harvested at all, because of weather conditions.

Therefore, this opportunity to increase acreage has been included in the bill in order to permit the growing of more cotton. Yet, I point out, Mr. President, it would be absolutely unfair for this extra cotton acreage to be counted for history. I say this because since the West, with its large farms, would be the area to take most advantage of the additional acreage, then the benefits of having this land counted in historical acreage would accrue to their advantage—at the direct cost to the Southern cotton farmers. That is particularly true because the cotton growers of the South are mostly small farmers who will not take advantage of the 40-percent-acreage increase.

Mr. President, I hope the Senate will vote to reject the amendment, because of its unfairness. I fear that if the amendment should be agreed to, it might affect final passage of the bill.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that the reason why the small farmers will not be able to utilize the additional acreage is that a great many of them will have to be financed by the Government and will be in the A group? For that reason, they will not take advantage of the 40-percent increase which is possible, because they do not have the money to buy the equipment to go forward with the program.

Mr. ELLENDER. Perhaps that is one reason. In a State such as Georgia, 77 percent of the cotton farmers produce on 10 acres or less. Those farmers would not be able to take advantage of

the 40-percent increase, because they could not afford the lower support price.

Let us consider a cotton farmer who has 10 acres to plant. It might be more profitable for him to plant the 10 acres and obtain 85 percent of parity, instead of planting 14 acres—which is 40 percent more—and receive 70 percent of parity.

Under the pending bill, however, it would be very advantageous for the large farmer to produce more cotton and receive only 15 points less than the support price paid choice A farmers.

As I said, those who would take advantage of the 40-percent-increase provision would no doubt be the larger farmers, and most of them, as I have stated, are in the West. That situation would certainly unduly increase cotton planting in the West.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired. How much time does the Senator desire to yield to himself?

Mr. ELLENDER. Mr. President, I yield myself 2 additional minutes.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. EASTLAND. The Senator, of course, realizes that option A provides for an overplanting of a net 27.3 percent. Does the Senator not realize that never in the history of a farm program has overplanted acreage earned history?

Mr. ELLENDER. The Senator is correct.

Mr. EASTLAND. That is what is sought to be done by the amendment.

Mr. ELLENDER. The Senator is exactly correct. For that reason the Committee on Agriculture and Forestry wrote language in the bill to provide that the increased acreage could not be counted for history.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. FULBRIGHT. Did the committee consider this proposal?

Mr. ELLENDER. Yes.

Mr. FULBRIGHT. Did the committee reject it?

Mr. ELLENDER. As the Senator from Mississippi has just stated, never in the past none has such extra acreage in cotton been counted for history. The extra acreage has always been excluded.

Following the same trend, the committee proceeded to make it possible for farmers to increase their planting on the condition that the extra planting would not be counted for history.

Mr. EASTLAND. If the Senator will permit, I should like to ask another question. The Senator, of course, realizes that, if the amendment is agreed to, the bill faces a veto?

Mr. ELLENDER. I do not know.

Mr. EASTLAND. I make that statement.

Mr. FULBRIGHT. If the amendment is agreed to, I do not see how any Senator from the South could vote for the bill. Whether it would be vetoed or not, I do not see how we could vote for the bill, with the amendment.

Mr. EASTLAND. My information is that, if the amendment is agreed to, the bill will be vetoed.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired. Does the Senator yield himself more time?

Mr. GOLDWATER. Mr. President, I yield 10 minutes to the Senator from New Mexico.

Mr. ANDERSON. Mr. President, I want to say right off the bat I certainly challenge the statement that if the amendment is agreed to the bill will be vetoed.

Mr. GOLDWATER. I do, also.

Mr. ANDERSON. I wish to say, on my responsibility, that nobody in this Chamber has discussed this matter with the President of the United States. I have discussed the general situation with the Secretary of Agriculture sometime during this day. I do not believe anybody can say that if the amendment is added to the bill the bill will be vetoed. I regret that such a statement was made.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. ANDERSON. I am happy to yield.

Mr. EASTLAND. I discussed this matter with the Secretary of Agriculture.

Mr. ANDERSON. Did the Secretary tell the Senator that this amendment would call for a veto?

Mr. EASTLAND. My judgment is—

Mr. ANDERSON. Did he say so?

Mr. EASTLAND. Wait a moment, please. My judgment is, from my discussion with the Secretary, that if the amendment is agreed to, the bill will be vetoed.

Mr. ANDERSON. My judgment is, after a discussion with the Secretary, that if the amendment is agreed to, it will not bring about a veto.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. HUMPHREY. Mr. President, this is the most refreshing discussion we have had in the debate. It is apparent now that two very able, distinguished Senators of honor and integrity have discussed a very important amendment with the Secretary of Agriculture. Two of the most able exponents of agricultural legislation in the Senate, the distinguished Senator from Mississippi and the distinguished Senator from New Mexico, a former Secretary of Agriculture, are involved. And, Mr. President, after discussing this matter with the Secretary of Agriculture, one Senator comes away to say, "Just a minute, Mr. President; it is my judgment, after conversation with the Secretary of Agriculture, the bill will be vetoed." The other Senator says, "Just a minute, Mr. President; it is my judgment, after discussing the amendment with the Secretary, the bill will not be vetoed."

And I say, "Just a minute, Mr. President, let us go down to the Department of Agriculture and let them write the bill."

What are we doing? I think this is ridiculous.

Mr. ANDERSON. Mr. President, I wish to say—



Mr. GOLDWATER. Mr. President, will the Senator yield a moment?

Mr. ANDERSON. I yield.

Mr. GOLDWATER. Out of the time on the bill, I yield the time taken both by the distinguished Senator from Mississippi and the distinguished Senator from Minnesota.

Mr. ANDERSON. Mr. President, I do not need to take too much time. The Senator from Mississippi and I have discussed cotton legislation many times, and will discuss it many times in the future.

I have sat in this Chamber and listened to Senators say about another measure, "Pass this farm bill. The President will not dare to veto it." I went to the press-room, and someone asked me about it, and I replied, "The President will dare to veto it." I call attention to the fact that the President did veto the bill. I put that statement against any others. The President has done pretty well with his vetoes of agricultural bills. He has not vetoed agricultural bills because farmers have produced commodities which can be sold in the market place. He may have vetoed them because someone wanted to produce commodities for the Treasury of the United States.

This is not a proposal which works against the South. This is an amendment which works against a man who wants to hold his acreage and not plant cotton. If all one wishes to do is to hold on to acreage so as to put something in the Soil Bank, he knows what he is doing.

The statement was made that we have never given history for overplanting. This would not be overplanting. Any time anyone plants within the law, he is not overplanting.

There is a provision in the law that a farmer may elect plan A or plan B. Since they are both legal, how can we legally deny history to men who legally plant? There are some constitutional problems involved when we say that a man who legally plants within what the law says he can plant cannot get history because he overplants. It does not make too much sense.

Everyone knows what happened in World War II. We allowed farmers throughout the Deep South to take out cotton acreage and plant peanuts and get both peanut acreage and cotton acreage.

No one went into the constitutional questions involved. I thought the situation was a little peculiar. Also, during that period a man could plant almost all commodity crops and still hold his cotton history, even if he never planted an acre of cotton.

Under the last law, it is possible for a man to put his cotton land into the Soil Bank and hold on to his cotton history.

This amendment simply provides, "Under plan B you are allowed to claim such planting as history." Why not? The chairman of the committee says there are only 8 million bales, and only 2 million bales are good. I can tell the parts of the country from which the good cotton comes, and I can tell the parts of the country from which the poor cotton comes. Why penalize good cotton?

Why say to people, "You cannot get history for producing cotton which sells?"

No one has difficulty disposing of high-grade cotton. I cannot understand why it is said that merely because we get better grades of cotton, there is something wrong with producing under plan B. When we hear people say, "We need more cotton acreage because we are short of the good grades of cotton," when they present testimony to the committee day after day and say, "We must have more of the high-grade varieties of cotton," it is pretty harsh to say that those who produce it cannot have any history for producing what the country needs, while someone who produces a grade of cotton which goes into the loan and stays there, and which no one will take out because it is too short staple, because it is spotted, or because it lacks certain qualities, may have history, and must be protected against the awful people who plant the kind of cotton the trade desires.

If a farmer is to produce for the Treasury, that is one thing. I am glad to allow him to hang onto his history; but why deny history to those who produce for the trade, those who produce fine, high-grade cotton, which is in demand all over the world?

I have been at Blytheville, Ark., and have seen the fine type of cotton which is needed and is in demand in this country. I believe the farmers in Arkansas will increase their acreage just as rapidly as will the farmers in California, west Texas, or New Mexico.

I have gone into the delta of Mississippi and have seen the best cotton anyone could imagine. No one can persuade me that farmers in that part of the country will not take advantage of the opportunity to plant 40 percent more acreage. If they plant it to supply the demand in this country, why should they not be allowed history?

Those producers are going to take a penalty—not a penalty of 15 percent, but a penalty of 15 parity points. By next year parity will be down, I assume, because of the extra acreage. By the end of the year it could drop 75 percent. That will be available to those who plant A grade. Those who plant B grade will receive 60 percent.

I have said that there is some question about people who have been talking about 90 percent of parity, and who are now supporting a level of 60 percent of parity. That does not shock me quite so much as do some of those who have been talking about 90 percent for a long time.

These producers take their penalty when they take 15 points less. Should they be compelled to take a double penalty, and get no history, when they contribute something which the country desires in the market place? I do not see why.

I know that all the cotton which moves under plan A will be immediately sold to the Commodity Credit Corporation. All the cotton which moves under plan B will probably move into the market, because it is at a lower price. What is wrong about saying that those who produce it should get some history? We all have our differences as to when his-

tory should or should not be granted, but it is an unusual thing to say that because someone produces a superior product, a product which can be sold in the market, rather than a product which fills warehouses, he should not be allowed history.

A bill might be vetoed because it stressed the development of poor cotton, but it certainly should not be vetoed because it stresses the development of high grade products.

What have we done for wool? We have upgraded it? Why? Because Australian wools of fine quality came into the country, and we had to improve our wool in order that it might be sold.

What is wrong with doing the same thing for cotton? There are those who produce tremendous quantities of cotton in Arizona, California, and the western areas of Texas. They have no difficulty in finding buyers. I have watched buyers go to the parts of the country where fine cotton is produced and fight to see who would have the opportunity to buy it. There is one producer in El Paso, Tex., who deals exclusively with Belgian merchants, some of whom even specify that they want cotton from a particular acreage. They have been buying it year after year. Such cotton never sees the Treasury.

One can go into other areas, where every bale of cotton that rolls into town is bought by Uncle Sam and has to be exported under our very liberal surplus program. Six million bales go into the loan and stay there, and no one will pick it out.

At the end of World War II, we had 7½ million bales of cotton on hand. Was it cotton from the part of the country we have been discussing? No. It was cotton half an inch long—so short that no American mill could handle it. We had to put back into working order mills in Japan and China which could almost weave horsehair, because the cotton was so short that it could not be handled anywhere else; yet 7½ million bales were in the hands of the Commodity Credit Corporation.

I think it would be proper to say that those who are producing a fine grade of cotton in the producing area of the Delta of the Mississippi, or cotton such as I saw at Blytheville, Ark., or cotton produced for the trade in other areas of the South, and all across the Nation, should not be penalized because their cotton does not cost the Treasury anything. What is wrong with producing something which does not burden the agricultural programs?

We used to have a total cost of \$1 billion a year for this program in the last years of the Democratic administration. Now we have a cost of \$6 billion a year. Are we proud of that? Do we want the cost to go to \$7 billion? Is the only thing we know about an agricultural program the fact that people produce for the Treasury, when the surplus must be moved and sold somewhere else in the world?

I do not believe this is a bad amendment. I believe that the amendment of the Senator from Arizona is good. I think we should reward those who pro-



duce things which can be sold, and that we should not say that they shall not have any history because they are hurting those who produce a product which cannot be sold.

I hope the amendment of the Senator from Arizona will be adopted.

Mr. GOLDWATER. Mr. President, I yield 2 minutes to my distinguished senior colleague.

Mr. HAYDEN. I should like to inform the Senate that my colleague from Arizona has correctly represented the desires of many cotton growers in our State. They say, "If we can grow the kind of cotton the market will take, which does not go into the loan, and if it is good cotton, and the world needs good cotton, why should we not be permitted to grow it? We are not competing against anyone who produces cotton which is primarily grown in order that it may get a Government loan.

They also argue that the costs of price supports to the Federal Government are at such a point that they should be of great concern to the American people.

I note that in the Federal Budget in brief for the present fiscal year at page 27 it is estimated that the cost of the farm price support program and related programs will be \$3,253,000,000. That is a sizable sum of money. The amount has been growing year by year. If our cotton growers could have their way about it—and my colleague has correctly represented their desires—they would not ask for any price support, and they would produce quality cotton which would go into the market.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. EASTLAND. The Senator is correct. However, a producer can increase his acreage by 40 percent under the bill, and he can grow the kind of cotton the Senator is talking about.

Mr. HAYDEN. The cotton growers in my State say, "If we can grow it, why can we not have the history?" My colleague, as I say, has correctly represented their position.

Mr. ELLENDER. Mr. President, I yield 3 minutes to the Senator from North Dakota.

Mr. YOUNG. Mr. President, I do not believe I shall take more than a minute. The statement was made earlier that under no other program have farmers been permitted to increase their acreage without gaining acreage history. For 3 years in a row Congress had permitted an increase in the durum wheat acreage on the basis of 2 for 1, because of a shortage of durum wheat. The growers who increased their acreage under that program did not gain any history. We should have extended the durum wheat legislation. This year the production is 12 million bushels or only about half of our requirements, at a time when we have great surpluses of other wheat. We had such a great deal of trouble getting the approval of Secretary Benson to the program the last time, I did not attempt to introduce an extension of it for this year. Under this program the farmers did not gain any history.

Mr. ELLENDER. I yield myself 3 minutes. I should like to say, in answer

to my good friend from New Mexico, that the procedure outlined by the committee in the bill is nothing unusual. Farmers who desire to be classified as choice B farmers, can be so classified, and the conditions imposed on them are written into the law. What are those conditions? They can raise their allotted acreage by 40 percent, obtain a 15 parity point lower price, but they cannot count it as history. All that is written into the law in advance.

I should like to go back to the proposal dealing with the national acreage allotment which is fixed in the bill. That remains as it is. Every cotton farmer, no matter where he is located, gets his proportionate share, based on cotton acreage history as it now stands.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. However, we have made it possible for those cotton farmers who so desire to expand their—and we have amended the planting because, as I have said, we have a shortage of good cotton.

The Senator from New Mexico well knows that a great deal of cotton grown last year around Blythesville and in the delta region of Mississippi was good cotton until the rain spoiled it. Last year more than 3½ million bales of cotton were ruined by rain. If it had not been for the fact that inclement weather prevented cotton farmers from saving their cotton, this 40-percent increase would not be provided in the bill.

SEVERAL SENATORS. Vote! Vote!

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Arizona yield back the remainder of his time?

Mr. GOLDWATER. Mr. President, I yield myself 2 minutes.

I was very hopeful that the chairman of the committee could accept the amendment. I shall not ask for a ye and nay vote on it, because I realize the futility of doing so.

In closing my argument, I merely wish to say that there are some fallacies in the farm bill which are becoming very apparent during the debate. We hear the argument made that, because there is a shortage of good cotton, we will allow the good cotton area to grow a little more cotton, in order to produce more good cotton. However, at the same time the good cotton-growing areas or the better quality cotton-growing areas produce that cotton, the areas which produce the poor quality cotton will be allowed to continue to grow cotton. This gets us into a snake-eating-its-own-tail position. That is the situation we find with respect to the burley tobacco part of the bill. I understand—and I am not too familiar with burley tobacco—the average tobacco farmer a few years ago had 10 acres. Today he has less than 2 acres. Perhaps it is only 1 acre. If we continue to try to adjust by legislation the mistakes we have made in the farm act, and if we try to adjust by legislation the operations of the law of supply and demand, and if we must apply minimum acreages to cotton reductions, then I predict the time will come when we will stand on the floor of the Senate talking

about the average cotton farmer in terms of about 4 acres. That is another fallacy in the farm bill.

We hear the argument made that in Georgia the average farm is 10 acres. It must be remembered that the cost of production in the Deep South is considerably higher than the cost of production in the Far West and in the Southwest.

wonder how wise we are being in continuing to spend the taxpayers' money—and it is now approximately \$6 billion a year for farm programs—and say, in effect, to a farmer: "So long as you want to grow cotton, no matter where you are in the United States, no matter how poorly you farm it, no matter how adverse the conditions in your section of the country may be, we are going to see to it that you stay in the cotton business."

That is one of the inherent weaknesses of the pending bill.

If we can apply that logic to the farmer, I predict that some day we will apply it to every businessman and every professional man. If that does not spell socialism, then I have failed in spelling.

The weakness of the farm bill is being exposed tonight as we debate this one segment of it, the segment which applies to cotton. Cotton can be grown profitably in the Far West. The farmer can sell it on the open market at a profit. It is a good quality cotton. It is the best cotton in the world. Why should the Federal Government continue to say to farmers in a section of the country that cannot grow this kind of cotton, "We are going to see to it that you do it, regardless?"

We are giving up the cattle industry in the Southwest to the Southeastern States, because of economic conditions. What would the people of the Southeastern States think if we were to pass a beef-control bill, which would freeze a certain amount of beef in its present location?

I sincerely hope the amendment will receive favorable consideration. I believe it is a step in the right direction.

I yield back the remainder of my time.

The PRESIDING OFFICER. Both sides have yielded back the remainder of their time. All time for debate has expired. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. GOLDWATER]. [Putting the question.]

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I offer an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The LEGISLATIVE CLERK. On page 16, beginning with line 17, it is proposed to strike out all down through line 16 on page 17, and insert in lieu thereof the following:

"SEC. 104. Notwithstanding any other provision of law, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn, oats, rye, barley, and grain sorghums through loans, purchases, or other operations at a level not in



excess of 90 percent nor less than 60 percent of the parity price therefor: *Provided*, That in no event shall the level of price support for any crop of corn be less than \$1.10 per bushel."

SEC. 203. (a) Section 101 (a) of the Agricultural Act of 1949, as amended, is amended by striking out "corn."

(b) Section 101 (d) (4) of such act is repealed.

(c) The amendments made by this section shall become effective beginning with the 1959 crop.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. HUMPHREY. I yield myself 15 minutes.

The amendment extends to the feed grains the same variation of parity price support as has been extended to rice and cotton. In other words, the amendment takes the minimum of 60 percent of parity, which was in effect as the minimum in rice and cotton sections of the bill, and provides that that shall apply to all feed grains, including corn, grain sorghums, oats, barley, and rye. The amendment provides that there shall be, of course, the maximum in the sliding scale up to 90 percent, which would be applied to other products which we have considered in the bill, and not less than \$1.10 for corn.

This is the only amendment which has had official departmental support on the record. The Department of Agriculture has actually testified in behalf of the amendment, so all good administration supporters please line up, because this time they have an amendment which, according to the testimony, all Department witnesses favor.

There is no other section of the bill, as I have read it, which has the explicit, verbatim, on-the-record testimony of the Department of Agriculture. The rest of the bill is something like the last situation we just enjoyed. It depends on who has talked to the Secretary. One Senator, talks to the Secretary, comes back, and says, "I know the President will veto it." Another Senator talks to the Secretary, comes back, and says, "I have just talked to the Secretary, too. He will not recommend a veto."

I must say there are times when, in a pleasant conversation with a Cabinet officer, in the ostentatious surroundings of a Cabinet officer's office, one might not hear every word or might misunderstand what is said.

But if the testimony has been taken down, is in the record, has been re-examined by the Secretary, corrected for grammar, and corrected for accuracy, and it still reads back the same as it was given and is a matter of official transcript, and the record is available, we know what the Secretary meant and said.

The Secretary has testified to wanting, for the feed grains, including corn, from a 90- to a 60-percent swing or a 90- to a 60-percent flexibility. That is what this amendment provides.

However, I want to accommodate the committee. I do not think we should simply try to repudiate all the work of the committee. So I have said that we will provide a minimum for corn ac-

cording to the vote of the committee. I believe the vote was at least 10 to 3, as I recall, for \$1.10 a bushel.

That is what the amendment will do. It will take from the bill the formula which the committee suggested, the portion which provides that 90 percent of the average price for 3 years will be the norm.

I think that is so much surplus verbiage. I do not think it has any particular effect, particularly when floors are written into the bill.

It is a sort of condescension to those who think they ought to have that kind of language. It is inoperative. It does not mean anything.

Here we have a straight, clean-cut presentation of a flexible price support system for feed grains. There are no allotments; only acreage controls. It is the same kind of program for which the Department has asked, except that it has in it one saving clause which the committee wrote into the bill, and which I have kept in, namely, \$1.10 a bushel for corn, and not less than 60 percent of parity for feed grains, which was voted by a majority of the committee.

Mr. President, I shall not yield back the remainder of my time at the moment. Perhaps the chairman would like to make a comment about this particular amendment. If he does, I shall yield time to him, or he can speak on his own time.

I hope the Senator from Louisiana will see fit to accept the amendment.

Mr. ELLENDER. I would, of course, like to accommodate my good friend from Minnesota; but, as chairman of the committee, I have no authority to accept any amendments. I would cheerfully submit the question to the membership of the committee, to ascertain their views.

However, the Committee on Agriculture and Forestry spent much time in working out the bill which is now before the Senate. There was agreement on the various provisions of the bill as submitted to the Senate. It is true that at one time the administration offered provisions to support more than from 60 to 90 percent of parity, but the committee has written into the bill a formula which seems to be acceptable to the corn growers.

I should much prefer to have the matter discussed by the distinguished Senator from Iowa [Mr. HICKENLOOPER], who is one of the corn experts on the committee, and who fostered the provisions with respect to corn which are now incorporated in the bill.

We have in the bill a formula which is very simple. I believe it will reflect a fair price for corn producers. As a matter of fact, the floor for corn producers is \$1.10, and that is about 63 or 64 percent of parity, as I recall.

The other feed grains are supported in relation to corn, taking the feed value of the respective feed grains into consideration.

Mr. President, I now yield to the distinguished Senator from Iowa as much time as he may desire on the amendment.

The PRESIDING OFFICER. How much time does the Senator from Iowa desire?

Mr. HICKENLOOPER. I think 5 minutes should be enough to dispose of this amendment, as I understand it.

Mr. President, I have just read the amendment. It proposes a support price of from 60 to 90 percent of parity, and in no event less than \$1.10 a bushel for corn for 1959 and subsequent crops.

This proposal has been laid before the Committee on Agriculture and Forestry and has been considered. There is no major proposal in any of the amendments which has not been considered by the committee and rejected, as a matter of fact.

This is another attempt, at least from my viewpoint, to load the bill with an amendment which can be embarrassing or which can destroy the bill, so far as its speedy enactment is concerned. I can only say again that the bill as it was reported by the Committee on Agriculture and Forestry is a sound bill. It is a bill which will save money. It is an honest approach to the problems of agriculture so far as the four commodities, cotton, rice, corn, and feed grains, are concerned. It reduces to a minimum the bureaucracy which is necessary to enforce these programs.

So far as corn is concerned, the bill as reported by the committee probably comes closer to reflecting the desires of the corn farmers—as expressed at the only opportunity they have had to express their desires—than does any other legislative proposal which has been reported to the Senate.

Mr. President, this amendment is just another of the multitudinous amendments which seem to be at the desk.

I believe the amendment will be harmful to the final enactment of the proposed legislation. I believe the amendment is undesirable.

So I hope the amendment will be rejected; and I hope the Senate will support the bill as reported by the committee.

Mr. HUMPHREY. Mr. President, it is now 8 p. m.; and I believe that at this hour we should have good fellowship. So I should like to remind my colleagues, with all good cheer, that, really, the one provision of the bill which is supported by official testimony on the part of representatives of the Department of Agriculture is the amendment which I now have pending.

The Senator from Iowa referred to amendments which would be "embarrassing." Mr. President, if this amendment is embarrassing to anyone, it is embarrassing only to me, not to the Department of Agriculture.

So I should like to extend the hand of fellowship to the Secretary of Agriculture, Ezra Taft Benson, whose spirit certainly is in this Chamber tonight. In fact, he is one of the very powerful men who has come to Washington. Time after time, when I have asked my colleagues to support certain amendments, one or another of them has replied, "I should like to support it; but it has not been approved by the Secretary of Agri-



culture, and therefore to adopt the amendment would probably invite a veto."

So it is, Mr. President, that, between King Cotton and Prince Ezra, we are having our troubles. [Laughter.]

Therefore, Mr. President, at this time I wish to extend the hand of bipartisan fellowship, because, after all, it may be that at times I have said a critical word about Mr. Benson. [Laughter.]

This year, the Secretary of Agriculture appeared before the Committee on Agriculture and Forestry, and also sent his Assistant Secretaries and his Grain Division advisers before the committee; and all of them said, "What we need in the bill is a change in the price-support schedule, so as to make it possible to support corn, grain sorghums, and all other feed grains on the same basis; namely, 90 to 60 percent of parity."

Mr. President, I was impressed by that testimony; it was persuasive; it was delivered with a note of sincerity; it was eloquent. And that testimony has been ringing in my head ever since then.

So, today, I wrote up that testimony in the form of a legislative amendment.

But, Mr. President, a Member of the Senate does not want to be only an administration supporter; he also wants to support the committee. So I sort of commingled these; I took the recommendations of the Department—its true, official recommendations—namely, 90 to 60 percent—and then I took the recommendations of my colleagues, as set forth in the bill—namely, not less than \$1.10 for corn and a minimum of 60 percent of parity for feed grains—and I have put all of them into one package. After all, I believe everyone should have a chance to be happy at least once, in connection with the bill.

This amendment will make the administration happy, and it will make the Secretary of Agriculture happy; and, in short, all of us will be able to be jolly.

If the amendment is embarrassing to the administration, then when the administration's representatives testified before the committee, they were not sincere and they did not mean what they said.

In short, the amendment is not embarrassing to anyone except to those who would like to rewrite the formula for price supports. But I submit that there is no official sanction or testimony in support of the formula as rewritten in the bill. In fact, the National Corn Growers Association—which should know a little bit about corn—just as we assume that the cotton councils know a little bit about cotton, and that the Cattle Growers Association knows something about cattle, and that the Swine Breeders Association knows something about swine—these groups are always the Oracles of Delphi, to which we go, in the end, because we realize that they do know about these matters—well, Mr. President, the National Corn Growers Association is opposed to the bill; and, in that connection, let me say that earlier today I placed the Association's letter in the RECORD; and the Association is in support of this proposal of mine.

Mr. President, this amendment is not as good as the one I offered first; but at least this amendment will maintain some semblance of responsibility on the part of the Congress.

I hold in my hand the testimony given on June 5, 1958, on the long-range farm program. The testimony was given before the Senate Committee on Agriculture and Forestry; and this portion of the testimony is to be found in part 4 of the printed hearings. In that connection, I call attention to the statement of the Honorable Marvin L. McLain, Assistant Secretary of Agriculture; Martin Sorkin, Assistant to the Secretary; and Walter C. Berger, Administrator, Commodity Stabilization Service, United States Department of Agriculture. All of them were speaking in behalf of the Department of Agriculture, and they wanted to eliminate the acreage allotments for corn; and they said the acreage allotments for corn should be eliminated, in order to permit all corn farmers to plant in accordance with their best managerial decisions; and the testimony was that that would be a forward step in the direction of more freedom for the corn farmers.

I read now from the testimony which appears on page 600 of part 4:

The CHAIRMAN. What about price supports?

Mr. McLAIN. Price supports would be in the same category, Senator ELLENDER, as we requested here.

The CHAIRMAN. 60 percent?

Mr. McLAIN. 60 to 90, yes.

The CHAIRMAN. 60 to 90.

Mr. McLAIN. Yes, just the same.

This discretion, of course, would be the same as we now have for feed grains, only that currently we have from 0 to 90 with feed grains.

Mr. President, I also hold in my hand the testimony which was given on January 17 by the Secretary of Agriculture, Mr. Benson. He said:

And then again last year, as I pointed out earlier, we recommended, much the same as we are recommending now, that we be given a range of 60 to 90 percent of parity in the case of the basic commodities.

I was asking him about corn, corn being a basic commodity.

A little later, Mr. McLain testified in behalf of the same proposal.

Mr. President, I hope the committee will accept the amendment, and that I shall not be driven to requesting a yea-and-nay vote, because the amendment applies to the bill only the same principle that the amendment of the Senator from Missouri [Mr. SYMINGTON] applied to it, earlier today, in terms of cotton and rice, for which the Senate has already provided a minimum of 60 percent. This amendment will do that; but it will modify the existing statute flexibility, by reducing it from 75 percent to 60 percent.

The PRESIDING OFFICER. Does the Senator from Minnesota yield back the remainder of the time available to him?

Mr. HUMPHREY. First, I should like to ascertain from the chairman of the committee his reaction to my proposal.

Mr. ELLENDER. Mr. President, I have already stated to the distinguished

Senator from Minnesota that I shall stand on the bill, as written.

Mr. HUMPHREY. Mr. President, I should like to ask the distinguished Senator from Louisiana whether he will yield a part of this time, for the purpose of the suggestion of the absence of a quorum. Or, Mr. President, under the unanimous-consent agreement, is the time required for a quorum call to be charged to the time available on the amendment?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that the time thus required would be charged to the time available to the Senator who suggested the absence of a quorum.

Mr. HUMPHREY. Mr. President, if all remaining time is yielded back, then to what time would the time required for a quorum call be charged?

The PRESIDING OFFICER. After all remaining time has been yielded back, a quorum call is in order prior to the vote on the amendment.

Mr. HUMPHREY. Then, Mr. President, I yield back the remainder of the time available to me.

Mr. ELLENDER. Mr. President, I yield back the remainder of the time available to me.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask the majority leader to yield me 5 minutes on the bill. Will the majority leader yield me 5 minutes on the bill?

Mr. JOHNSON of Texas. I yield 5 minutes on the bill to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I follow this procedure in the hope that we shall have an opportunity to permit our colleagues, whom we told earlier there would not be a yea-and-nay vote for some time, to return, so that I shall be able to convince my colleagues in this body that the amendment before them is one which ought to be agreed to by a voice vote.

Mr. President, many Senators who were not present in the Chamber earlier are now present. I ask their attention for a few moments.

The amendment is the feed-grain amendment. The pending bill contains a section relating to feed grains. That section would do several things: First, the bill provides in the instance of corn that price supports shall be determined on the basis of a 3-year average, using 90 percent of the 3-year-average market price, provided that the price does not go below \$1.10 a bushel. In the instance of other feed grains, such as the sorghums, rye, barley, and oats, the bill provides that there shall be a 3-year average of the market price, 90 percent thereof, provided that the price does not go below 60 percent of parity. That is



what the bill provides as it is on the desk before Senators.

A short time ago the Senator from Missouri [Mr. SYMINGTON] in the instance of the sections of the bill relating to cotton and rice, added a proviso, with the assent of Senators, calling for a floor with respect to rice of \$4 a hundredweight, but that the price could not go below 60 percent of parity. In other words, the floor would either be 60 percent of parity or \$4 a hundredweight, whichever was higher. In the instance of cotton it was provided that the floor would be 60 percent of parity or 30 cents a pound, whichever was higher. So 60 percent of parity has been provided as the floor for those commodities, and 90 percent is already prescribed as the maximum in the existing law.

Let me say to my friends who support the administration, that in respect to this amendment I have taken the recommendations of the Secretary of Agriculture, as testified to, which I read into the RECORD. The recommendations were made on two occasions. The Secretary made them in January, and the Assistant Secretary made them later on in the month of June. They are shown in part 4 of the hearings. I have taken the request of the Department, which was to remove the acreage allotments for corn, and put corn on a 90 to 60 percent of parity flexible scale. I have added the proviso of the committee; namely, that the price shall not go below \$1.10 a bushel.

I have done the same thing in the instance of the other feed grains, taking the language of the committee and providing that the price shall not go below 60 percent of parity. There is provided a scale of 90 to 60 percent of parity.

I say to my colleagues that this is an amendment which has administration support, because such support has been testified to. This is an amendment which includes within it the most salutary and most redeeming features of the feed-grain amendment in the committee bill. In other words, there is a floor of \$1.10 for corn, with a 90 to 60 percent of parity scale, which was asked for and requested by the administration. On the other side, for the other feed grains, there is a floor of 60 percent of parity, which the committee reported, with a sliding scale from 90 to 60 percent of parity.

Mr. President, it seems to me we are being faced with sheer stubbornness. I have been told time after time, as I have offered amendments and as other Senators have offered amendments, "You cannot attach an amendment to the bill, because the President will veto it."

Mr. President, if the President wants to veto his own recommendation, that is his business.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. I do not believe he is going to veto it. I say that it is about time we stood here as men and voted what we think is right. In this instance we have a commingling of the recommendations of the administration and the better portions of the bill of the

committee. We have a reasonably good feed grain section which merits the support of some of us who feel that we are entitled to some consideration in connection with this legislation.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes on the bill.

Inasmuch as my good friend from Minnesota has mentioned what we did with respect to cotton and rice, I wish to state that 2 years from now cotton and rice will be supported in the same manner as corn.

The amendment which was offered by the Senator from Missouri [Mr. SYMINGTON] and adopted, merely provided a floor, but it did not hold out the possibility of revising price supports up to 90 percent, as would be the case with the present amendment.

It is true that at one time the administration did suggest legislation along the lines of the pending amendment offered by the distinguished Senator from Minnesota. However, the committee studied this proposal and decided instead upon a support level based upon 90 percent of the average price of corn during the most recent 3 years. The committee is in agreement in that respect, and I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY]. [Putting the question.]

The ayes—

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

May I ask what was the ruling of the Chair?

The PRESIDING OFFICER. The Chair ruled that the ayes—

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

Mr. HICKENLOOPER. Mr. President, I ask for a division.

The PRESIDING OFFICER. A division has been requested.

Mr. DOUGLAS. I asked for the yeas and nays.

Mr. HUMPHREY. Mr. President, it is my understanding that the Chair has ruled that the ayes have it.

The PRESIDING OFFICER. The Chair was about to rule that the ayes appeared to have it. There has been no final ruling.

Mr. DOUGLAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. I object.

Mr. MANSFIELD. The purpose is to order the yeas and nays, I believe.

Mr. AIKEN. If we may have the yeas and nays, I have no objection.

Mr. LONG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The Parliamentarian informs the Chair that the request for the yeas and nays cannot interrupt a quorum call.

Mr. LONG. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY].

Mr. LONG. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senators from Florida [Mr. HOLLAND and Mr. SMATHERS], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business. The Senator from Delaware [Mr. FREAR] is absent on official business attending the Interparliamentary Union meeting in Rio de Janeiro, Brazil, as a delegate representing the Senate.

The Senator from Arkansas [Mr. McCLELLAN] is absent because of a death in his family.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

The Senator from Virginia [Mr. BYRD] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Virginia would vote "nay" and the Senator from Colorado would vote "yea."

The Senator from Delaware [Mr. FREAR] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Delaware would vote "nay" and the Senator from Montana would vote "yea."

The Senator from Missouri [Mr. HENNINGS] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Missouri would vote "yea" and the Senator from Florida would vote "nay."

Mr. DIRKSEN. I announce that the Senator from South Dakota [Mr. CASE] and the Senator from West Virginia [Mr. HOBLITZELL] are absent because of official business having been appointed by the Vice President to attend the 49th Congress of the Interparliamentary Union in Rio de Janeiro.

The Senator from Vermont [Mr. FLANDERS], the Senator from New York [Mr. JAVITS], the Senator from Maine [Mr. PAYNE], the Senator from Pennsyl-



vania [Mr. MARTIN], and the Senator from Michigan [Mr. POTTER] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from New Jersey [Mr. SMITH] are detained on official business.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from West Virginia [Mr. HOBLITZELL], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Maine [Mr. PAYNE], the Senator from Michigan [Mr. POTTER], and the Senator from New Jersey [Mr. SMITH] would each vote "nay."

The result was announced—yeas, 24, nays 49, as follows:

## YEAS—24

|                 |           |           |
|-----------------|-----------|-----------|
| Clark           | Kerr      | Neuberger |
| Douglas         | Langer    | Proxmire  |
| Hill            | Magnuson  | Russell   |
| Humphrey        | Mansfield | Sparkman  |
| Jackson         | McNamara  | Symington |
| Johnson, Tex.   | Monroney  | Thye      |
| Johnston, S. C. | Morse     | Wiley     |
| Kennedy         | Mundt     | Young     |

## NAYS—49

|             |              |              |
|-------------|--------------|--------------|
| Alken       | Dworshak     | Long         |
| Allott      | Eastland     | Malone       |
| Anderson    | Ellender     | Martin, Iowa |
| Barrett     | Ervin        | Morton       |
| Beall       | Fulbright    | Pastore      |
| Bennett     | Goldwater    | Purtell      |
| Bible       | Gore         | Revercomb    |
| Bricker     | Hayden       | Saltonstall  |
| Bush        | Hickenlooper | Schoeppel    |
| Butler      | Hruska       | Smith, Maine |
| Capehart    | Ives         | Stennis      |
| Carlson     | Jenner       | Talmadge     |
| Case, N. J. | Jordan       | Thurmond     |
| Cooper      | Kefauver     | Watkins      |
| Cotton      | Knowland     | Williams     |
| Curtis      | Kuchel       |              |
| Dirksen     | Lausche      |              |

## NOT VOTING—23

|               |             |              |
|---------------|-------------|--------------|
| Bridges       | Green       | O'Mahoney    |
| Byrd          | Hennings    | Payne        |
| Carroll       | Hoblitzell  | Potter       |
| Case, S. Dak. | Holland     | Robertson    |
| Chavez        | Javits      | Smathers     |
| Church        | Martin, Pa. | Smith, N. J. |
| Flanders      | McClellan   | Yarborough   |
| Frear         | Murray      |              |

So Mr. HUMPHREY's amendment was rejected.

Mr. AIKEN. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JORDAN. Mr. President, I call up my amendment identified as 7-8-58-C.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 14, between lines 14 and 15, it is proposed to insert the following new section:

## RENTAL AND TRANSFER OF ACREAGE ALLOTMENTS

SEC. 108. Section 344 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection as follows:

"(c) (1) Notwithstanding any other provision of law, the owner or operator of a farm for which a farm acreage allotment for upland cotton is established under the provisions of this section may rent, as provided in paragraphs (1) and (2), such allotment, or any portion thereof, to any other owner or operator of a farm in the same county for use in the same county.

"(2) Any such rental agreement shall be made on such terms and conditions, except as otherwise provided in this subsection, as the parties thereto agree: *Provided*, That no such agreement shall cover allotments made to any farm for a period in excess of 5 crop years from the date of the agreement.

"(3) No rental agreement shall be effective until a copy of such agreement is filed with the county committee of the county in which the acreage allotment is made.

"(4) The rental of any acreage allotment, or portion thereof, shall in no way affect the acreage allotment of the farm from which such acreage allotment, or portion thereof, is rented or the farm to which such acreage allotment, or portion thereof, is rented; and the amount of acreage of the acreage allotment rented shall be considered for purposes of future State, county, and farm acreage allotments to have been planted on the farm from which such acreage allotment was rented in the crop year specified in the lease.

"(5) Any farm acreage allotment, or portion thereof, rented under this subsection shall be multiplied by the percent which the normal yield of the farm from which the acreage allotment, or portion thereof, is rented is of the normal yield of the farm to which the acreage allotment, or portion thereof, is rented.

"(6) The Secretary shall issue such regulations as are necessary to carry out the provisions of this subsection."

On page 14, line 16, strike out "108" and insert "109."

On page 15, line 2, strike out "109" and insert "110."

On page 15, line 20, strike out "110" and insert "111."

Mr. JORDAN. Mr. President, I think American agriculture owes a debt of gratitude to the members of the Senate Committee on Agriculture and Forestry for the outstanding work they have done on the bill before us, S. 4071.

They have worked long and hard to bring out a bill that is practical and fair, and I want each of them to know that the amendment I offer is in a sincere effort to improve what I consider a good bill.

The amendment I am proposing would make a minor but very important change in the manner in which cotton growers are permitted to handle their cotton acreage allotments.

The amendment deals with the renting of acreage allotments.

For many years, farmers have rented acreage allotments. Renting or leasing has been, and is today, a common practice in all commodities for which acreage allotments are assigned.

I should like to emphasize this point, because the amendment that I am proposing does not open up or begin the practice of renting acreage allotments.

The amendment merely makes it easier for farmers to plant and cultivate the acreage they rent.

Under present law and regulations, a farmer who rents acreage allotments has to plant and cultivate that acreage on the farm to which the allotment is assigned.

If farmer A has a cotton allotment of his own and rents the allotment of farmer B, farmer A has to plant his cotton on his farm and plant the rented acreage on farmer B's farm.

In other words, if a farmer rents acreage in addition to his own allotment, he has to set up a new farm operation.

My amendment would permit any farmer who rented an acreage allotment to plant the rented acreage on either his own farm or the rented farm. It would simply allow him to consolidate his operations in the interest of efficiency and sound business practices.

I am certainly aware of some of the dangers that would be inherent in the unrestricted rental of farm acreage allotments.

For this reason my amendment includes a provision that confines the renting of acreage allotments to the county boundaries. This provision would prevent the transfer of acreage from regions with low per acre yields to regions of high per acre yield. Just as important, it would put a halter on those who would tie up, through rental agreements, excessive acreages in the hope of becoming "cotton barons."

As a further safeguard against unfair movement of acreages, the amendment would require adjustments in rented allotments to allow for the differences in the per acre yield between one farm and another.

It would work as follows:

Farmer A has a 10-acre allotment and has a per-acre yield of 1 bale to the acre. If farmer A rents a 10-acre allotment from farmer B, who has a yield of one-half bale per acre, then farmer A would be allowed to plant only 5 acres of farmer B's allotment on his farm.

This provision would certainly eliminate any attempts to rent acreage allotments for the sole purpose of moving them from low-yielding farmland to high-yielding land.

The amendment also limits any rental agreement to not more than 5 crop years.

I should like to say, Mr. President, that I offer this amendment in the hope that it will be included in the bill to facilitate a more orderly and efficient manner for farmers to rent their acreage allotments. I do not think it weakens in any way the legislation before us, but, rather, strengthen it a great deal.

I hope the amendment will be adopted.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. KNOWLAND. Is the rental provided in the Senator's amendment limited to the county in which the acreage is located?

Mr. JORDAN. It is limited to the county in which the acreage is located; it cannot be moved out of the county.

Mr. KNOWLAND. From the point of view of the farmer who desires some help, would it not be far better if he were not limited to the county but had a chance to get some competitive bidding in the rental?

Mr. JORDAN. But, on the other hand, it would ruin, or so the agricultural advisers state—and I think they are right—the history of the acreage allotted to counties throughout the States. They do not want to do that, and I do not think it would be a good idea to do it.

Mr. KNOWLAND. On the other hand, if we are really desirous of helping small farmers who are in difficulty, would it not be better to give them an opportunity to get the best price they could,



not only throughout the State, but, indeed, throughout the country?

Mr. JORDAN. The trouble with that suggestion, as I see it, is that soon the cotton acreage would shift to other areas, and the particular area it left would have no acreage history whatsoever.

Mr. KNOWLAND. But are we not interested in helping the small farmer? If he can get a better price, should he be foreclosed from getting a better price for his allotment?

Mr. JORDAN. On the other hand, if he loses his acreage—his farm—he cannot get it back. This amendment would allow him to rent it only for a period of 5 years. He would keep his right to it.

Mr. KNOWLAND. I think we are considering a proposal which, if it should be adopted—I hope it will not be—would open the subject to far wider ramifications than the Senator has in mind.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. HUMPHREY. The Senator from North Carolina has been a very devoted, faithful servant of the people. He has worked with us on proposed agricultural legislation. We have not always seen eye to eye because, as I have said before, we have differences in regional agricultural production.

But, as I understand, the Senator from North Carolina is trying to devise a formula which will work and will be of benefit to economic unit production.

Mr. JORDAN. That is exactly true.

Mr. HUMPHREY. The Senator from North Carolina is to be commended. While I cannot get my feed grain amendments adopted, I am for him. I am trying to help him.

Mr. JORDAN. I thank the Senator from Minnesota.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. SPARKMAN. I commend the Senator from North Carolina for offering his amendment. As a matter of fact, I offered an almost identical amendment on behalf of myself and my colleague, the senior Senator from Alabama [Mr. HILL]. I am delighted that the Senator from North Carolina has offered his amendment. It seems to me that it proposes a very practical and logical plan.

I do not know whether the Senator from North Carolina has had similar experience in his State, but in Alabama there are many farmers who, from time to time, have been prevented, for one reason or another, from planting the full acreage allotted to them. That had an adverse effect on the economy of the whole county—including the ginners and the small-business men, to say nothing of the history of the acreage—until we adopted the amendment a couple of years ago. We know what the adverse effect has been.

The proposal offered by the Senator from North Carolina seems to me to be wholly practical, easy to administer, and entirely feasible. I want the Senator to know that I shall support his amendment.

Mr. JORDAN. I thank the Senator from Alabama.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. ERVIN. I commend my colleague on proposing this remedial and very practical amendment. I think it takes care of a situation which exists throughout the area where cotton is planted. I think it is both a wise remedy and a very highly practical one.

Mr. JORDAN. I thank my colleague.

Mr. TALMADGE. Mr. President will the Senator yield?

Mr. JORDAN. I yield.

Mr. TALMADGE. I compliment the distinguished Senator from North Carolina on the presentation of his amendment. I think it will greatly improve the bill and will be of much help in many areas of the country in consolidating cotton allotments so as to effectuate an economic unit.

I am sure the Senator is aware of the fact that in North Carolina 89.6 percent of the cotton allotments are of 10 acres or less.

Mr. JORDAN. That is correct.

Mr. TALMADGE. I think the Senator is also aware of the fact that in Georgia 76.9 percent of the cotton allotments are of 10 acres or less; that in South Carolina, 80.5 percent of the cotton allotments are of 10 acres or less; and that in Alabama 83.3 percent of the cotton allotments are of 10 acres or less.

As I understand, the Senator's amendment will enable those allottees to lease acreage for a period not to exceed 5 years.

Mr. JORDAN. Five crop years.

Mr. TALMADGE. For 5 crop years. The cotton allotment is confined to the county—solely to the county—in order that a farmer may create an effectual economic unit.

Mr. JORDAN. That is correct.

Mr. TALMADGE. I compliment the Senator from North Carolina on his amendment. I hope it will be adopted.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. THURMOND. Is it not true that many farmers do not now have sufficient acreage to operate an economical farm unit?

Mr. JORDAN. I think that is correct.

Mr. THURMOND. If the Senator's amendment is adopted, they will be able to lease sufficient acreage to operate an economical farm unit, will they not?

Mr. JORDAN. That is a correct statement.

Mr. THURMOND. Is it not also true that many farmers, because their acreage was reduced, have been forced out of farming, and that in many instances this amendment will, if agreed to, help them, as well as widows and others who have no income save from a small farm, to lease acreage and aid them in the struggle to subsist?

Mr. JORDAN. I think it will be a big help to them.

Mr. THURMOND. I congratulate the able Senator from North Carolina for having offered the amendment. It will give me great pleasure to support it.

Mr. JORDAN. I thank the Senator from South Carolina.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. JOHNSON of Texas. I have listened with great interest to the proposal of the Senator from North Carolina. There is no Member of this body for whom I have greater respect or affection. I congratulate him on the proposal he has made.

Mr. JORDAN. I thank the distinguished majority leader.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. KEFAUVER. In Tennessee, 78.3 percent of the total number of farms are of 10 acres or less. They are all operated by farmers who have had a very difficult time because of an unusual amount of rainfall, particularly in west Tennessee. Many of them have been driven from the land because of the excessive rainfall and because of the operation of the Soil Bank.

This amendment deals with cotton; it does not bring in any new subject matter. I think the amendment will improve the technique of the bill so far as it deals with cotton.

I think the Senator from North Carolina has been very thoughtful in presenting the amendment. I congratulate him upon it.

Mr. JORDAN. I thank the Senator from Tennessee.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. JORDAN. I yield.

Mr. JOHNSTON of South Carolina. Is it not true that essentially in the Senator's State of North Carolina and in my State of South Carolina, adjoining States, there are a great many small farms?

Mr. JORDAN. Most of them are small farms.

Mr. JOHNSTON of South Carolina. Some of them are farms of only 3, 4, or 5 acres, most of them not more than 10 acres. Is not that true?

Mr. JORDAN. That is correct.

Mr. JOHNSTON of South Carolina. Is it not true that in North Carolina about 69 percent of the farms are of less than 10 acres, and that in South Carolina about 80.5 percent are of 10 acres or less?

Mr. JORDAN. I think that is correct.

Mr. JOHNSTON of South Carolina. Is it not true also that, for many reasons, the farmer finds at the last minute, perhaps, that he cannot proceed to plant his 2, 3, or 4 acres of cotton?

Mr. JORDAN. I believe that would be found to be true.

Mr. JOHNSTON of South Carolina. So the amendment would permit 3, 4, or 5 acres, out of that acreage, to be rented, during the year and to be tilled by another, without causing that farmer to lose his farm's cotton acreage history, so far as he was concerned; is that correct?

Mr. JORDAN. That is correct.

Mr. JOHNSTON of South Carolina. Otherwise under the present cotton-acreage system if the farmer did not plant cotton for that year then when the general average over the 5 years was computed he would be cut back even



more than the 3 or 4 or 5 acres he had rented to the other farmer, would he not?

Mr. JORDAN. Yes; unless he had the benefit of a system such as the one this amendment provides.

Mr. JOHNSTON of South Carolina. Yes—in other words a system which would care for that situation.

Mr. JORDAN. Yes.

Mr. JOHNSTON of South Carolina. So the amendment will care for other situations in that field, also.

Mr. President, I commend the Senator from North Carolina for offering the amendment; and I want him to know that I support the amendment 100 percent.

Mr. JORDAN. I thank the Senator from South Carolina.

Mr. KNOWLAND. Mr. President, has the Senator from North Carolina completed his remarks on the amendment?

Mr. JORDAN. I have.

Mr. KNOWLAND. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. Mr. President, it is with regret that I oppose the amendment which has been submitted by my good friend, the Senator from North Carolina [Mr. JORDAN].

Under this amendment, the owner or operator of a farm having an upland cotton allotment would be authorized to rent all or part of the allotment to the owner or operator of another farm in the same county, for use in the county. The rental agreement could not cover allotments made to a farm for a period in excess of 5 crop years from the date of the agreement, and any rental agreement would not be effective until filed with the county committee. The rented acreage allotment would be considered, for purposes of future State, county, and farm allotments, to have been planted on the farm from which the allotment was rented in the crop year specified in the lease. The rented allotment would be adjusted upward or downward on the basis of the comparative normal yields per acre of the two farms involved in the rental agreement.

The amendment thus would permit a temporary transfer of allotments from one farm to another, while maintaining the cotton acreage history on the farm to which the allotment was made. The amendment places no limitation on the amount of allotment which could be transferred to any farm; therefore, it would permit the owner or operator of a farm to rent sufficient allotment in order to have a farm allotment equal to the acreage of cropland on his farm. Thus, any person or firm with sufficient

capital for renting allotments could quickly become a large cotton producer in a county where farms are going out of cotton production, and, conceivably, could control the cotton economy of the county. This might be viewed as acceptable from a strict standpoint of efficiency in cotton production, but it would be objectionable on many other grounds.

The amendment apparently provides that if an allotment is rented from a farm for 5 years, the allotment for each such year shall be considered, for purposes of future State, county, and farm allotments, to have been planted on such farm. This would mean that so long as the land owned by a person continued to be considered as a farm, and so long as all or part of the allotment was leased to another, the farm would be eligible for a cotton-acreage allotment year after year, even though no cotton was actually planted on it. It should also be noted that the county and State would receive credit for cotton having been planted, even though for some reason the allotment was not planted on the farm to which the transfer was made.

The language of the amendment, to the effect that rental of the allotment to another farm shall in no way affect the allotment for either farm, is not entirely clear. Certainly, if part of the allotment were rented from a farm, the farm allotment should be reduced by the amount thereof, and the allotment for the farm to which the rental was made should be increased. We assume that this provision is intended to prevent a minimum allotment made under section 344 (f) (1) (B) from being reduced when it is transferred to a farm which would not be entitled to an allotment under section 344 (f) (1) (B); and to prevent a transferred allotment from being reduced because it would raise the allotment of the farm to which it is transferred above some statutory limit—such as the 50 percent of cropland limitation provided in section 344 (f) (6). Apparently the amendment might permit a farmer who had had his farm allotment increased by 40 percent under choice "B," for 1959 or 1960, to lease the allotment for use on another farm. There might be no problem if the farm to which the allotment was transferred were also a choice "B" farm. However, if it were a choice "A" farm, there would be a question as to its status after receiving the allotment leased from the program "B" farm.

The amendment would authorize either the owner or the operator of a farm to rent the allotment to another owner or operator. While the question of whether the cotton allotment should be rented to another would be one to be decided between the owner and operator of a farm, there would be fewer disputes if the language of the amendment required any rental of allotment from a farm to be agreed to by both the owner and the operator.

The cotton provisions of the Agricultural Adjustment Act of 1938 are already extremely complicated with measures which give preferred treatment to some

classes of farms and give acreage history credits to farms, counties, and States on fictional bases. The amendment would greatly increase these complications, and would further postpone the time when, in order to have a sound and workable program, the law must provide for distribution of allotment to farms which are currently cotton farms, instead of to farms which once were cotton farms.

Mr. AIKEN. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield for a question.

Mr. AIKEN. Would not the effect of the amendment be to permit a landowner with a cotton allotment to continue to receive a Government check year after year without having to plant any cotton whatever?

Mr. ELLENDER. That is correct.

Mr. AIKEN. In the committee, did not we lean over backward, in order to permit cotton farmers to have a minimum of 10 acres, for the express purpose of keeping them on the farms?

Mr. ELLENDER. That is a point I would like to emphasize—namely, that in the bill we have a provision which will enable the smaller farmer not to be disturbed, insofar as his acreage is concerned; we have increased the minimum acreage guaranty from 4 acres to any amount up to 10 acres. We are trying to encourage the smaller farmers to remain on the farms.

But the pending amendment would have just the opposite effect.

So I believe the amendment should be rejected; and I hope it will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina [Mr. JORDAN].

Does the Senator from North Carolina yield back the remainder of the time available to him?

Mr. JORDAN. I do.

Mr. ELLENDER. Mr. President, I yield back the remainder of the time available to me.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is on agreeing to the amendment of the Senator from North Carolina [Mr. JORDAN]. [Putting the question.]

The amendment was rejected.

Mr. HUMPHREY. Mr. President—

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I call up the amendment which I have at the desk.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. It is proposed, on line 3, page 17, after the word "bushel", to eliminate the period and add the following language: "or 60 percent of the parity price thereof, whichever is the higher."

Mr. HUMPHREY. Mr. President, this is the identical language which was offered in the instance of cotton and rice, in order to restore the parity principle or concept to all sections of the bill. It is similar to the amendment offered by the Senator from Missouri [Mr. SYMING-



ton] as to the other two titles of the bill. I gather it is acceptable in the instance of feed grains and corn.

Mr. ELLENDER. Mr. President, the same treatment is accorded corn as was accorded cotton and rice. I have no objection.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Kentucky such time as he may desire.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. COOPER. Mr. President, I know all of us appreciate the hard work of the Senate Committee on Agriculture and Forestry in its effort to develop a farm bill that will be helpful to the Nation and to farmers. I should like the people of my State to know that all the members of the committee have worked hard and unselfishly in the interest of a sound agricultural program. And the committee has been fortunate in the fine leadership of its chairman, the Senator from Louisiana [Mr. ELLENDER].

The American Farm Bureau and the Kentucky Farm Bureau—whose views I value—as well as other agricultural organizations, support this bill.

I am much interested in the provisions which relate to cotton and corn. Cotton producers, including those of my own State, generally support the cotton program outlined in the bill, and believe it will be helpful to them. I support the cotton program as outlined in the bill. I note that it offers an alternative to the cotton growers. They can accept allotments at a higher support price, or grow cotton on larger acreages at lower support prices. The cotton provisions will be helpful to our Kentucky counties, which grow cotton.

Now, I should like to speak briefly about the new corn program, which the bill establishes. I voted for the amendment to the bill's corn program proposed by the Senator from Minnesota [Mr. HUMPHREY] because it offered to the corn producer the same kind of alternative that the bill provides for cotton producers. The Humphrey amendment would give the corn producer a choice. He could choose the corn plan of the pending bill—unlimited acreage at a floor of \$1.10 support—or elect to plant a smaller acreage of corn and secure higher price support.

The amendment was defeated. Now I intend to support the bill. I know the members of the Committee on Agriculture and Forestry have given it much thought, and sincerely believe that it is the best program that can be enacted and which can become operative at this time. And I hope very much that the corn program provided by the bill will be successful.

Nevertheless I believe there are factors involved in the new corn program that are not yet understood in my own State. I direct my inquiries to members of the committee, hoping their answers may be informative to the farmers in my State.

The farmers in my State have supported strongly the concept of parity and price supports based on parity. The

corn program of the pending bill is a departure from the parity concept.

The great support in my State for the parity concept arises chiefly from our interest in the tobacco program. Tobacco is the most important crop in Kentucky, and the biggest cash crop. It represents up to 45 percent of the farmer's cash income in Kentucky. Tobacco is supported at 90 percent of parity.

It has been charged during this debate that a departure from the parity concept and parity supports may be asked for wheat and tobacco at some later date. I know that Kentucky tobacco farmers would oppose such a proposal, and I will oppose it with all my might. They want to keep their present tobacco program, by which they have controlled the production of tobacco, kept supplies in line with demand, and have been able to obtain a reasonable price in the marketplace, without substantial cost to the Government.

I make the point that the corn program embraced in the bill does mark a departure from the concept of parity, which has been followed for almost 20 years, and our farmers should know this. Price support for corn under this bill will be based on 90 percent of the average price received by farmers over the preceding 3 years with a floor of \$1.10.

A second question I raise is the effect of the new corn program on surplus supplies and Government stocks of corn. For many years this Government and farmers have been working to reduce and dispose of farm surpluses. The problem of surpluses is not merely a question of cost to the Government. The real problem for farmers is that surpluses depress farm prices.

I believe the present corn program has had a substantial effect toward preventing larger surpluses, as well as supporting the incomes of the farmers who have made an effort to reduce excessive production.

If allotments are eliminated, if incentives to reduce plantings are eliminated, and if the acreage reserve is eliminated, as seems likely, it seems to me reasonably certain that farmers now in compliance will increase their corn acreage.

Farmers participating in the corn program last year had a historical base acreage of 22.8 million acres of corn. The allotment for these farmers who complied with the program was 13.4 million acres. Farmers who complied with their corn allotments were given an opportunity to put part of their allotments into the acreage reserve of the Soil Bank, and they did so to the extent of 5.2 million acres. They actually planted, then, 7 million acres. This was a reduction in corn acreage of nearly 16 million acres under their base corn acreage, which they could have planted if they had not planted within their allotments.

If farmers now in compliance with the existing program plant corn like their neighbors who did not accept their allotment—whether at a \$1.10 floor, identical to the support price offered noncompliance farmers last year, or at a new support level of \$1.15, or some other unknown figure—we can ask the question if they will plant their historic base, and

instead of the 7 million acres that they planted last year, will plant nearly 16 million additional acres of corn.

This could mean 600 million to 800 million additional bushels in the 1959 crop. It would certainly add enormously to the present surplus, at a tremendous cost to the Government, and, worst of all, drive corn prices down.

I do not see why farmers should not plant more corn, with all controls removed and allotments eliminated. In fact, farmers may be forced by the lower support price to raise a great deal more corn in order to maintain their total income and their standard of living.

This may not happen. It has been said that some of the land may be diverted to, or remain in, other crops, such as soybeans and feed crops. Efforts may be made to place some of the corn land into the conservation reserve, although that program has not lived up to the expectations of last year. And I have heard nothing to indicate that the conservation-reserve program will be strengthened to the point that farmers will be willing to put good-corn land into that program.

So it seems to me that no one knows how much of the 16 million acres diverted from corn production last year will be used to raise corn under the provisions of the bill under consideration. The Department of Agriculture does not know. The Farm Bureau does not know. None of us knows.

I think our farmers must consider the question of whether even a fraction of such a potential production would be disastrous to the plan for the corn and grain farmers, as well as the beef, hog, and dairy farmers.

Mr. President, these points have been raised during the debate. I wanted to raise them again. I raise them simply so that I can point out to our farmers in Kentucky that there are two problems growing out of the bill which they may not have taken into account.

One of the problems is that if the bill is passed and all controls on corn production are discontinued, with allotments no longer possible, we may see a production of corn which will increase the present large surplus and further depress prices. There may be a tendency toward lower prices, under the provisions of the bill if enacted into law. I think our farmers ought to know of that possibility.

Again I say, however we may describe the bill, it is a departure for the first time, so far as corn is concerned, from the concept of support prices based on parity. Our farmers should know that. Some of our farmers do not know that fact.

I voted for the alternative proposal of the Senator from Minnesota, which was defeated, because I thought it would maintain the parity concept and give farmers the choice of the new corn program or the old program based on parity.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. COOPER. I will vote for the bill. It is supported by the Kentucky Farm Bureau and they study farm matters



carefully in the interest of our farmers. But there may be farmers who have not taken into account the consequences which may result from the new corn program, and all of us should know its risks as well as its good points.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. YOUNG. I think the Senator has pointed out the great weakness of the bill. The bill means a departure from the parity concept. When there is provided 90 percent of the average price for the previous 3 years, such a provision really means nothing. For example, sometimes that price might be quite high, after a period of high prices during a war. Ninety percent might be too high in some instances. If we had a provision for 90 percent under this formula in 1936, after the 3 low price years, the price support for wheat would be about 27 cents a bushel. What good would that be?

Parity itself refers to a standard established by law which is supposed to represent a fair price. I think parity comes as near to establishing a fair price as it has been possible so far to determine. If anyone can figure out a better formula, he ought to come forward with it.

Mr. COOPER. I have always supported the parity principle. Of course, the floor on corn is to be \$1.10. But if we have a large surplus, I believe we will see efforts made in the next 2 or 3 years to remove the floor of \$1.10 wholly, or at least lower it. Then corn prices would drop.

Mr. YOUNG. Mr. President, will the Senator yield further?

Mr. COOPER. I yield.

Mr. YOUNG. Like the Senator from Kentucky, I voted for the Humphrey amendment to provide 60 to 90 percent of parity. Actually such a provision would have given the Secretary of Agriculture more flexibility than the provision now in the bill. The Secretary, under the bill, would be tied to 90 percent of the average prices for the previous 3 years. I voted for the provision to allow greater flexibility only because it was tied to the parity concept, which makes more sense to me than the use of the previous 3-year average. In effect, the Secretary would have had more leeway and more freedom under the 60 to 90 percent provision, and he has been asking for more flexibility all the time.

Mr. HUMPHREY. Mr. President, I wish to express my thanks and appreciation to the Senator from Kentucky and, of course, to the Senator from North Dakota for the very pertinent remarks they have made. I especially want to thank the Senator from Kentucky for his very keen analysis of the bill; its shortcomings, its limitations, and, of course, the proposals within it which meet certain situations which need to be taken care of.

I have tried during the debate to recognize that there were problems in certain areas of agriculture toward which the bill is directed. I have also attempted to show what the Senator from Kentucky has shown so much better; that the great weakness of the bill, as it came from the committee is the abandon-

ment of the best measuring stick we have had, the best means of measurement to provide some sense of justice and equity for agriculture, namely, the so-called concept of parity.

The amendment now before the Senate, Mr. President, is not in my mind the kind of amendment which makes me happy, but it would at least restore to the section of the bill under discussion the relationship of prices to the parity yardstick. Under the bill, corn, of course, has a floor of \$1.10 as a minimum, which is above 60 percent of parity, I may say, under the present price structure.

Mr. ELLENDER. Sixty-two and one-half percent.

Mr. HUMPHREY. I believe \$1.10 a bushel would approximate 62½ or 63 percent.

As we know, the other feed grains are protected in the bill with a minimum floor of 60 percent of parity. I am sorry we did not see fit tonight to accept what I sincerely viewed as a constructive proposal, the proposal which was commented on by the Senator from North Dakota [Mr. Young].

I appreciate the support which the Senator from Kentucky has given to the feed grain program. The Senator understands the program very well. The statement he has made this evening indicates a great knowledge of the program. To me the remarks of the Senator are very reassuring, and I appreciate this kind of help and support.

I thank both my colleagues for their cooperation.

Mr. President, I yield back the remainder of my time, if the Senator from Louisiana will do the same.

Mr. ELLENDER. Mr. President, I yield back the time remaining to me.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY].

The amendment was agreed to.

Mr. SCHOEPPPEL. Mr. President, I call up, for myself and the Senator from North Dakota [Mr. Young] my amendment 7-3-58-A, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to add the following new title:

#### TITLE IV—PUBLIC LAW 480

SEC. 401. Section 103 (b) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480, 83d Cong.), is amended to read as follows:

"(b) Agreements shall not be entered into under this title during any fiscal year which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of \$1,500,000,000, plus any amount by which agreements entered into in prior fiscal years (beginning with the fiscal year ending June 30, 1958) have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such prior fiscal years."

SEC. 402. (a) Section 104 of such act is amended by inserting before the period at the end of the first sentence of paragraph (h) thereof the following: "and for the financing of programs for the interchange of persons under title II of the United States

Information and Educational Exchange Act of 1948, as amended (22 U. S. C. 1446)."

(b) Such section is further amended by adding after paragraph (k) the following new paragraph:

"(l) For providing assistance, by grant or otherwise, in the expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States, for the purpose of enabling such educational institutions to carry on programs of vocational, professional, scientific, technological, or general education; and in the supporting of workshops in American studies or American educational techniques, and supporting chairs in American studies."

SEC. 403. Section 109 of such act is amended by striking out "June 30, 1958" and inserting in lieu thereof "June 30, 1960."

SEC. 404. Section 204 of such act is amended by striking out "June 30, 1958," and inserting in lieu thereof "June 30, 1960."

SEC. 405. Section 206 (a) of the Agricultural Act of 1956 is amended by inserting before the period at the end thereof a semicolon and the following: "but no strategic or critical material shall be acquired by the Commodity Credit Corporation as a result of such barter or exchange except for such national stockpile, for such supplemental stockpile, for foreign economic or military aid or assistance programs, or for offshore construction programs."

SEC. 406. In carrying out the provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended, extra long staple cotton shall be made available for sale pursuant to the provisions of title I of the act in the same manner as upland cotton or any other surplus agricultural commodity is made available, and products manufactured from upland or long-staple cotton shall be made available for sale pursuant to the provisions of title I of the act as long as cotton is in surplus supply, and no discriminatory or other conditions shall be imposed which will prevent or tend to interfere with their sale or availability for sale under the act.

Mr. SCHOEPPPEL. Mr. President, I shall detain the Senate only a few minutes.

On March 20, 1958, the Senate passed S. 3420, a bill to extend and amend the Agricultural Trade Development and Assistance Act—Public Law 480. As one of the originators of this legislation, I am proud of the bipartisan support which it has engendered. There are very few pieces of legislation which have had such widespread approval. Probably the bases for this are the following factors: First, it is helping improve farm income; second, it is moving agricultural commodities into export markets where they had never moved before; and, third, it is fostering international good will.

After several months' delay, and after this amendment was filed, the House passed its version of the extension of Public Law 480. As I pointed out in my speech of last Friday, July 18:

Farmers are harvesting and marketing wheat now. They need export outlets now. Markets are being lost now. Thus income to wheatgrowers is being hurt now.

I should add that this loss of markets is true for several other farm commodities. Only a few days ago, the United States Department of Agriculture issued a press release stating that there were requests for Public Law 480 commitments amounting to \$600 million which cannot be consummated because authority is now lacking.



The version of Public Law 480, passed by the House, is different from that passed by the Senate in two major respects:

First. The House version is for 1 year only. Ours provides a 2-year extension.

Second. The House version contains mandatory barter provisions.

The latter provision was fully debated here. I am sure that our decision was and still is right.

I am offering the amendment to S. 4071 to make it a part of the entire bill which we will send over to the House. I feel that this will increase the likelihood of an early passage in a manner satisfactory to both the legislative and executive branches. Time is of the essence. This is no time for delay. That is why I am offering this amendment today.

Mr. President, my cosponsor, the Senator from North Dakota [Mr. YOUNG] and I are asking that this amendment be made a part of the pending bill. I have been assured that the chairman of the Committee on Agriculture and Forestry, the distinguished Senator from Louisiana [Mr. ELLENDER], is willing to accept the amendment.

Mr. ELLENDER. Mr. President, as I understand, the amendment the Senator has offered is identical with the bill which was passed a few months ago.

Mr. SCHOEPPPEL. The Senator is correct.

Mr. ELLENDER. The bill which extended Public Law 480.

Mr. SCHOEPPPEL. That is correct.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. ELLENDER. I yield 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, Public Law 480 is one of the the finest pieces of legislation we have. The bill extending Public Law 480 is in conference, and I hope that adding this amendment to the pending bill will not delay passage of the bill in the other body. Let us face up to the situation. This particular amendment has a portion within it with which the other body does not agree. Our attitude on barter is different from that of the other body. There is a bill in conference, and it seems to me that is the place to settle the question. I hope we can do so rather promptly. If we cannot settle it in conference, it cannot be settled on the floor of the House, inasmuch as the House has already taken a very firm vote.

Arguments have been made about not cluttering up the bill with amendments which might cause delay. I am afraid we are opening up Pandora's box. The measure to which I refer is a wonderful piece of legislation. I was very desirous of having a 2-year extension. That was my amendment.

I am delighted with the use of the soft currencies provided for in the bill, but I am sure it will cause some complications. However, I shall support it, because I wish to have every chance of having a bill enacted.

Mr. ELLENDER. Mr. President, I assure the Senator from Minnesota and other Senators that, as chairman of the

committee, I shall endeavor to hold a conference. We are only acting cautiously in having this amendment placed in the bill, so that we can have a double shot at the legislation.

The PRESIDING OFFICER. Do Senators yield back the remainder of their time?

Mr. ELLENDER. I yield back the remaining time on our side.

Mr. MUNDT. The Senator from Kansas [Mr. SCHOEPPPEL] has authorized me to yield back any time remaining on our side.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. SCHOEPPPEL] for himself and the Senator from North Dakota [Mr. YOUNG].

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, on behalf of the Senator from Wisconsin [Mr. PROXMIER] and myself I offer the amendment which I send to the desk and ask to have stated. It is designated "7-23-58-F."

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following:

#### TITLE IV—MANUFACTURING MILK

##### Price support for 1959

SEC. 401. The first sentence of section 201 (c) of the Agricultural Act of 1949, as amended, is amended by inserting before the period at the end thereof a colon and the following: "Provided, That for the marketing year beginning April 1, 1959, the price of manufacturing milk shall be supported at not less than \$3.25 per hundredweight; and the price of butterfat shall be supported at not less than 58.6 cents per pound."

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Texas. In order that all Senators may know that we expect a yea-and-nay vote, I ask for the yeas and nays on final passage of the bill so that all Senators may be prepared.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, this amendment, which is offered on behalf of the Senator from Wisconsin and myself, relates to dairy price support levels under existing agricultural policy. It is a very simple amendment. It would merely restore what the Senate has already voted once to do, in Senate Joint Resolution 152. It would restore the price support on dairy products, specifically on manufacturing milk, to \$3.25 a hundredweight. That is a reasonable figure. It was justified by Members on both sides of the aisle. It is a figure which can be justified in terms of the formula by which the Secretary calculates price support levels.

Furthermore, it seems to me that we have an obligation to try to give some consideration to a very important segment of our economy, namely, the dairy producers and the family farm producers who rely so greatly on dairy production.

We have been told that \$3.25 is too much. That is the attitude of the administration. I have been told, and so have other Senators, that \$3 or \$3.05, depending upon the particular part of the country involved, is too little. I surely feel that it is.

We have been told in the Senate that had there been only a dairy amendment, the President might have signed it—in other words, if our action had been limited only to the dairy industry, while the Secretary of Agriculture would not have been enthusiastically in support of such an amendment, the President would not have vetoed it. I think the record will so reveal.

In order to show that we desire some action that is worthy of the attention of this body—and I trust that the amendment will receive favorable action at the hands of this body—I wish to modify my amendment by striking out the figure "\$3.25" and inserting in lieu thereof, with the assent of my cosponsor, the figure "\$3.15."

Mr. PROXMIER. I may say that I assent reluctantly.

The PRESIDING OFFICER. The Senator has the right to modify his amendment. The amendment is modified accordingly.

Mr. HUMPHREY. Three dollars and fifteen cents is a compromise between the existing level of price supports for manufacturing milk and what we had last year. I do not hesitate to say in the Senate that there surely is no legal or moral justification on the part of any person in the Government of the United States, either in the executive or legislative branch, for denying the figure of \$3.15.

It has been openly acknowledged that the figure of \$3 or \$3.05, the present price-support level, is too low. There are those in the executive branch who feel that \$3.25 is too high. I suggest, therefore, that we take middle-of-the-road course and agree upon \$3.15.

In this legislation we have provided price floors for cotton, rice, feed grains, and corn. The price floor for corn is just a little higher for the corn produced outside the allotted acres than the existing price. I believe it is 2 cents a bushel higher.

The price floors for cotton and rice are higher than the minimum parity percentage provided for in the proposed legislation.

This is an opportunity for us to do a little something constructive in behalf of the dairy industry. This is a very simple amendment. As modified, it reads:

#### TITLE IV—MANUFACTURING MILK

##### Price support for 1959

SEC. 401. The first sentence of section 201 (c) of the Agricultural Act of 1949, as amended, is amended by inserting before the period at the end thereof a colon and the following: "Provided, That for the marketing year beginning April 1, 1959, the price of manufacturing milk shall be supported at not less than \$3.15 per hundredweight; and the price of butterfat shall be supported at not less than 58.6 cents per pound."

Mr. PROXMIER. Mr. President, will the Senator yield?



Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I commend the Senator from Minnesota for offering the amendment. Last night he said something about not being the best scrapper in the Senate, but I think he is. One sign of a good scrapper is that he never gives up. We were solidly defeated on the previous dairy amendment, but I cannot see why the present amendment should not be acceptable. I cannot think of a good reason why the amendment should not be agreed to.

It is a very modest proposal, particularly in view of the fact that the Senator from Minnesota has now modified it to provide for \$3.15 per hundredweight. Last spring, in March, I believe it was, the proposal was for \$3.25 per hundredweight. As the Senator from Minnesota has pointed out so emphatically, the sentiment, particularly on the minority side, was that if an amendment could be agreed to which provided for supports at \$3.25 per hundredweight, the President would sign a bill which contained such an amendment. It was felt that Secretary Benson would approve it. Now we are asking for less. We are asking for \$3.15.

It seems to me, in all fairness and in all consistency, if the Senate is going to give any consideration to the dairy producers, the most important cash farm crop in America, this is the very least it can do. I plead with my good friends on the minority side and with the chairman of the Committee on Agriculture and Forestry at least to give us this much. It is not very much. I plead with my colleagues to please give us this much consideration.

Mr. HUMPHREY. I must also modify my amendment with respect to butterfat, in order to keep the price ratio between the manufacturing milk and butterfat in balance. I modified my amendment to provide for \$3.15 per hundredweight for manufacturing milk. The amendment now provides that butterfat shall be supported at not less than 58.8 cents. I modify my amendment to provide for 53 cents instead of 58.8 cents. The reason it is necessary to make that modification is that when a modification is made in the price structure of manufacturing milk, it is also necessary to make a modification in the price structure of butterfat, in order to keep the proper relationship between manufacturing milk and butterfat. With the consent of the cosponsor of the amendment, I modify my amendment accordingly.

The PRESIDING OFFICER. The Senator from Minnesota modifies his amendment accordingly.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on the amendment. It is the last one on which I shall request the yeas and nays. Therefore, Mr. President, I ask unanimous consent that the yeas and nays may be granted on the amendment, as modified.

The PRESIDING OFFICER. Is there objection to the request for the yeas and nays by the Senator from Minnesota? The Chair hears none, and the yeas and nays are ordered.

Mr. ELLENDER. Mr. President, I dislike again to oppose my good friend from Minnesota. He seeks to make the comparison that, because a floor has been fixed on cotton and rice, we should accord the same treatment to dairy products.

I remind my good friend that there is a floor fixed in the present law for dairy products. It is 75 percent of parity. The present law is not changed at all with respect to the producers of milk and milk products by the pending bill. The support price remains at 75 to 90 percent. Floors have been imposed on rice, corn, feed grains, and cotton simply because at the end of two years rice and cotton will not be supported at from 75 percent to 90 percent of parity. Instead, the support will be 90 percent of the average price of the preceding 3 years. Corn has a floor because the price support on corn is 90 percent of the price received over the previous 3 years.

Therefore there is no comparison between the floor that my good friend from Minnesota seeks to place in the law, and the floors that are fixed for rice, corn, feed grains, and cotton under the pending bill.

In other words, so long as rice and cotton are supported at from 75 percent to 90 percent of parity, that is, for the next 2 years, 75 percent is as low as price support can go for either of those commodities, except of course in the case of those producers of cotton who select Choice B. After 2 years, the price support on those commodities would be 90 percent of the preceding 3-year average price, but not less than 30 cents per pound for cotton or \$4 per hundredweight for rice and not less than 60 percent of parity in the case of either of those commodities. But in the case of dairy products, the minimum support price cannot be less than 75 percent of parity.

The Senator's amendment is a very simple one, it is true. However, I remind my good friend that the present floor on milk for manufacturing purposes is \$3.06. The amendment would make an addition of 9 cents or to \$3.15, which would raise the floor, paritywise, to about 77 percent.

As I said, I hesitate to oppose the amendment, but milk is very well taken care of.

I yield 2 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, last March I voted for a proposal similar to the one now offered by the Senator from Minnesota. Unfortunately, the President did not agree with us. Our efforts to increase the price on dairy products at that time failed. I would vote for it again as a separate bill. However, I notice that the amendment provides that the increase shall take effect on the first of April of next year. It is my opinion that during the next 2 months the market price of milk will reach a level equal to that provided by the Senator's modified amendment, and will probably stay at that point until next spring. I assure the Senator from Minnesota that, while I cannot vote to at-

tach his amendment to the corn-cotton-rice bill, if the market price on manufacturing milk does not rise to that level, I shall be glad to join him at the beginning of the next session in trying to do what we can to get a price equal to the support price proposed in the pending amendment.

Mr. HUMPHREY. I understand.

Mr. THYE. Mr. President, may I have 2 minutes yielded to me?

Mr. HUMPHREY. I yield 2 minutes to the senior Senator from Minnesota.

Mr. THYE. Mr. President, on March 11, prior to the reduction of 25 cents per hundredweight on milk, I endeavored to freeze the support price at not less than \$3.25. That was the support which was in effect at the time the Secretary of Agriculture announced the reduction by 25 cents per hundredweight, effective April first.

There was only one way open for us to freeze the price of milk at that time. There was no other course of action to take, because the first of April would arrive, and once the price supports were removed, and the price dropped, it was impossible to reinstate the price without large windfall profits going to those in the inventory business or in the processing business.

Therefore I opposed the Secretary of Agriculture and tried to stop his action. I offered an amendment as a rider and I submitted a motion to suspend the rule. I did not get support then. It is now a little late to be talking about what we are going to do by March 31, 1959.

I shall support the amendment on the general principle that the dairy farmer took a licking when 25 cents per hundredweight was taken off. The consumer got no benefit. I put charts into the RECORD this afternoon which show that in 1958 as compared to 1957 there was an increase in the price of milk to the consumer, even though the price to the farmer had actually dropped by 25 cents per hundredweight on the first of April of this year.

Therefore, I say again we did an injustice to the dairy producers of the country when we took the support price off, because they had been endeavoring to bring their production in line by reducing the number of cows by 288,000 head in the previous 18 months, and the number has gone down considerably since.

There is a reduction of more than 300,000 head at present. They had been putting their production in line, but with some question about a 25-cents-a-hundredweight reduction in price on the 1st of April. But the consumers are still paying high prices. I placed in the RECORD today an announcement that the milk distributors in the Washington area are asking for a half-cent-a-quart increase in the price of milk.

Mr. HUMPHREY. Mr. President, I was in error a moment ago in stating the terms of a provision in the amendment. I have discussed the matter with Mr. Harker Stanton, committee counsel. The figure 58.6 should be modified to 57.5. That is my understanding, after consultation with committee counsel. I



ask unanimous consent that the amendment be so modified.

The **PRESIDING OFFICER**. Without objection, the amendment is modified accordingly.

Mr. **WILEY**. Mr. President, will the Senator yield?

Mr. **HUMPHREY**. I am glad to yield to the Senator from Wisconsin.

Mr. **WILEY**. I have already expressed on the floor of the Senate today my opinion with respect to what I think is an appropriate solution of the dairy problem. I have just done a little figuring. One hundred pounds of milk having 3.5 percent butterfat yields about 6½ cents a quart at \$3.15 per hundredweight. The same milk, when sold for drinking purposes, retails for from 21 to 25 cents a quart.

I think, in view of the difficulties which the farmers have encountered—high cost of labor and machinery and high taxes—a little expression in the form of a rise in price might do much to improve their morale. We should not forget that the farmer is the backbone of the Nation. I feel such an increase is eminently just, when it is considered that the 48 quarts in a hundredweight would net 6½ cents a quart.

I think the amendment of the distinguished Senator from Minnesota should be approved.

Mr. **HUMPHREY**. I thank the Senator from Wisconsin. If no other Senators wish to speak in favor of the amendment, I yield back the remainder of my time.

Mr. **ELLENDER**. Mr. President, I ask unanimous consent to have printed at this point in the **RECORD** a statement I have prepared on the amendment.

There being no objection, the statement was ordered to be printed in the **RECORD**, as follows:

#### STATEMENT BY SENATOR ELLENDER

This amendment provides minimum support prices for milk and butterfat for the 1959-60 marketing year of \$3.15 per hundredweight and 57.5 cents per pound respectively. This compares with current support prices of \$3.06 per hundredweight and 56.6 cents per pound respectively.

Neither milk nor butterfat are subject to production limitations. The law provides for their support at such level from 75 to 90 percent of parity, as is necessary to assure an adequate supply. Under this amendment milk and butterfat would therefore fare much better than the basic commodities. The committee did not include any provision in the bill for milk and butterfat, because these commodities do not appear to have the urgent need for remedial action that the commodities covered by the bill have.

Mr. **ELLENDER**. Mr. President, I yield back the remainder of my time.

Mr. **DIRKSEN**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **DIRKSEN**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The question is on the amendment offered by the Senator from Minnesota [Mr. **HUMPHREY**] for himself and the

Senator from Wisconsin [Mr. **PROXMIER**]. All time has been yielded back. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. **MANSFIELD**. I announce that the Senator from Virginia [Mr. **BYRD**], the Senator from Colorado [Mr. **CARROLL**], the Senator from New Mexico [Mr. **CHAVEZ**], the Senator from Idaho [Mr. **CHURCH**], the Senator from Missouri [Mr. **HENNINGS**], the Senators from Florida [Mr. **HOLLAND** and Mr. **SMATHERS**], the Senator from Montana [Mr. **MURRAY**], the Senator from Wyoming [Mr. **O'MAHONEY**], the Senator from Virginia [Mr. **ROBERTSON**], and the Senator from Texas [Mr. **YARBOROUGH**] are absent on official business.

I further announce that the Senator from Delaware [Mr. **FREAR**] is absent on official business, attending the 49th Congress of the Interparliamentary Union in Rio de Janeiro, Brazil, as a delegate representing the Senate.

The Senator from Arkansas [Mr. **McCLELLAN**] is absent because of a death in his family.

I further announce that, if present and voting, the Senator from New Mexico [Mr. **CHAVEZ**], the Senator from Delaware [Mr. **FREAR**], and the Senator from Virginia [Mr. **ROBERTSON**] would each vote "nay."

On this vote, the Senator from Virginia [Mr. **BYRD**] is paired with the Senator from Colorado [Mr. **CARROLL**]. If present and voting, the Senator from Virginia would vote "nay" and the Senator from Colorado would vote "yea."

The Senator from Missouri [Mr. **HENNINGS**] is paired with the Senator from Florida [Mr. **HOLLAND**]. If present and voting, the Senator from Missouri would vote "yea" and the Senator from Florida would vote "nay."

The Senator from Montana [Mr. **MURRAY**] is paired with the Senator from Florida [Mr. **SMATHERS**]. If present and voting, the Senator from Montana would vote "yea" and the Senator from Florida would vote "nay."

Mr. **DIRKSEN**. I announce that the Senator from South Dakota [Mr. **CASE**] and the Senator from West Virginia [Mr. **HOBLOITZELL**] are absent because of official business, having been appointed by the Vice President to attend the 49th Congress of the Interparliamentary Union, in Rio de Janeiro.

The Senator from Colorado [Mr. **ALLOTT**] is absent because of illness.

The Senator from Vermont [Mr. **FLANDERS**], the Senator from New York [Mr. **JAVITS**], the Senator from Pennsylvania [Mr. **MARTIN**], the Senator from Maine [Mr. **PAYNE**], and the Senator from Michigan [Mr. **POTTER**] are necessarily absent.

The Senator from New Hampshire [Mr. **BRIDGES**] and the Senator from New Jersey [Mr. **SMITH**] are detained on official business.

If present and voting, the Senator from Colorado [Mr. **ALLOTT**], the Senator from New Hampshire [Mr. **BRIDGES**], the Senator from Vermont [Mr. **FLANDERS**], the Senator from West Virginia [Mr. **HOBLOITZELL**], the Senator from Pennsylvania [Mr. **MARTIN**], the Senator from Maine [Mr. **PAYNE**], the Senator from Michigan

[Mr. **POTTER**], and the Senator from New Jersey [Mr. **SMITH**] would each vote "nay."

The result was announced—yeas 24, nays 49, as follows:

#### YEAS—24

|                 |           |           |
|-----------------|-----------|-----------|
| Cooper          | Kerr      | Neuberger |
| Douglas         | Langer    | Proxmire  |
| Hill            | Magnuson  | Russell   |
| Humphrey        | Mansfield | Sparkman  |
| Jackson         | McNamara  | Symington |
| Johnson, Tex.   | Monroney  | Thye      |
| Johnston, S. C. | Morse     | Wiley     |
| Kefauver        | Mundt     | Young     |

#### NAYS—49

|             |              |              |
|-------------|--------------|--------------|
| Aiken       | Eastland     | Long         |
| Anderson    | Ellender     | Malone       |
| Barrett     | Ervyn        | Martin, Iowa |
| Beall       | Fulbright    | Morton       |
| Bennett     | Goldwater    | Pastore      |
| Bible       | Gore         | Purtell      |
| Bricker     | Green        | Revercomb    |
| Bush        | Hayden       | Saltonstall  |
| Butler      | Hickenlooper | Schoeppel    |
| Capehart    | Hruska       | Smith, Maine |
| Carlson     | Ives         | Stennis      |
| Case, N. J. | Jenner       | Talmadge     |
| Clark       | Jordan       | Thurmond     |
| Cotton      | Kennedy      | Watkins      |
| Curtis      | Knowland     | Williams     |
| Dirksen     | Kuchel       |              |
| Dworshak    | Lausche      |              |

#### NOT VOTING—23

|               |             |              |
|---------------|-------------|--------------|
| Allott        | Frear       | O'Mahoney    |
| Bridges       | Hennings    | Payne        |
| Byrd          | Hoblitzell  | Potter       |
| Carroll       | Holland     | Robertson    |
| Case, S. Dak. | Javits      | Smathers     |
| Chavez        | Martin, Pa. | Smith, N. J. |
| Church        | McClellan   | Yarborough   |
| Flanders      | Murray      |              |

So the amendment offered by Mr. **HUMPHREY** for himself and Mr. **PROXMIER** was rejected.

Mr. **HRUSKA**. Mr. President, I have at the desk an amendment which I offer, and ask to have stated.

The **PRESIDING OFFICER**. The amendment will be stated.

The **LEGISLATIVE CLERK**. On page 18, in line 19, it is proposed to insert a new section 303, as follows:

SEC. 303. Notwithstanding any other provision of law, any farmer who is dissatisfied with his farm acreage allotment for the 1959 crop of wheat may, within 15 days after mailing to him of notice as provided in section 362 of the Agricultural Adjustment Act of 1938, as amended, or within 15 days after the effective date of this act, whichever is later, have such allotment reviewed in accordance with the provisions of said act.

Mr. **HRUSKA**. Mr. President—

The **PRESIDING OFFICER** (Mr. **BIBLE** in the chair). How much time does the Senator from Nebraska yield to himself?

Mr. **HRUSKA**. I yield myself 5 minutes.

The **PRESIDING OFFICER**. The Senator from Nebraska is recognized for 5 minutes.

Mr. **HRUSKA**. Mr. President, the amendment does not make any basic change in existing law. The amendment merely provides an opportunity for any farmer who is dissatisfied with his wheat allotment to obtain a review of such allotment by a review committee, in the manner provided by existing law.

This amendment is necessary because of the confusion which existed in certain counties in connection with the issuance of the 1959 allotments and the fact that many farmers did not realize that it was necessary for them to take



appeals under the review procedures. I am informed that the county committees in different counties did not apply directives received from the State committee in the same manner, with the result that inequities resulted in the issuance of allotments. In some counties, producers who contacted their local committees were told that it would do no good to appeal, because no adjustments could be made—with the result that a large number of producers were so confused that they did not appeal.

This amendment, therefore, merely provides for an orderly review in accordance with existing provisions of law. There is ample precedent for relief of this nature. This amendment is virtually identical with a provision which was adopted as a part of Public Law 471, in the 81st Congress, to provide similar opportunity for cotton farmers to obtain a review of their 1950 cotton allotments.

Originally, the time available for an appeal was 15 days from the issuance of the order making the allotment. This amendment will allow 15 days from the enactment or effective date of the act in which to file the appeal.

Mr. YOUNG. Mr. President, will the Senator from Nebraska yield to me?

Mr. HRUSKA. I am happy to yield.

Mr. YOUNG. As I understand the amendment, in no way would it increase the acreage allotment for any county or State. Is that correct?

Mr. HRUSKA. The amendment would not increase the acreage, nor would it change in any way the basic requirements of the law.

Mr. ELLENDER. Mr. President, as I understand the amendment, it simply will allow 15 more days for an appeal.

Mr. HRUSKA. Yes, for the filing of an appeal after the effective date of the act.

Mr. ELLENDER. I have no objection.

Mr. HRUSKA. Mr. President, I yield back the remainder of the time available to me.

Mr. ELLENDER. Mr. President, I yield back the time available to me.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is on agreeing to the amendment of the Senator from Nebraska [Mr. HRUSKA].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

Mr. TALMADGE. Mr. President, the majority leader has agreed to yield to me not to exceed 30 minutes.

Mr. JOHNSON of Texas. That is correct.

However, Mr. President, before the Senator from Georgia proceeds, will he permit the bill to be ordered to be engrossed for a third reading and to be read the third time?

Mr. TALMADGE. I have no objection.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question is on the passage of the bill.

Mr. TALMADGE. Mr. President—

The PRESIDING OFFICER. The Chair recognizes the Senator from Georgia.

Let the Chair inquire how much time the Senator from Texas yields to the Senator from Georgia.

Mr. JOHNSON of Texas. Mr. President, I yield 30 minutes to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 30 minutes.

Mr. TALMADGE. Mr. President, I regret to take the time of the Senate at this late hour; but I believe the RECORD should contain a recital, in detail, of the chronology of events which causes the Senate, and particularly many Senators from my region, to support such legislation.

I shall make my remarks as brief as possible.

Mr. President, it will be recalled that on March 13, 1958, this body, by a vote of 50 to 43 passed a joint resolution which would have extended present acreages and price supports for all basic farm commodities, with the exception of tobacco, for another year. If my memory serves me correctly that joint resolution was reported by the Senate Committee on Agriculture and Forestry without a single dissenting vote.

It was the view of the Senate Committee on Agriculture and Forestry that, with expenses, wages, and everything the farmer has to buy continuing to go up, it certainly was no time to reduce support prices on farm commodities.

That joint resolution was passed by both this body and the House of Representatives; but, unfortunately, it was vetoed by the President on March 31, 1958.

At this point, Mr. President, I ask unanimous consent to have Senate Joint Resolution 162 printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

*Resolved, etc., That in order to prevent reductions in support prices or acreage allotments prior to consideration by Congress of*

such changes in the price support and acreage allotment laws as may be necessary at this time—

(1) the support price (in terms of dollars and cents) for any agricultural commodity, except tobacco, shall not be less than that available for such commodity; during the marketing year or season which began in 1957; and

(2) the total acreage allotted for any agricultural commodity, except tobacco, shall not be less than that allotted for the 1957 crop of such commodity, and sections 302, 303, and 304 of the Agricultural Act of 1956 (relating to minimum National, State, and farm acreage allotments for 1957 and 1958) shall be extended to apply to each crop of upland cotton and rice, respectively, to which this resolution is applicable.

This resolution shall be effective only until such time as Congress shall make other provision for price supports and acreage allotments and provide for the repeal of this resolution. Nothing in this resolution shall be construed to repeal or modify any law enacted in the second session of the 85th Congress or to require price support to be made available if marketing quotas have been disapproved by producers, or to noncooperators in the case of any basic agricultural commodity.

Mr. TALMADGE. I also ask unanimous consent, Mr. President, to have printed in the RECORD at this point, Senate Report No. 1355, which was the report of the Senate Committee on Agriculture and Forestry on that particular measure.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Agriculture and Forestry reported an original joint resolution (S. J. Res. 162), to stay any reduction in support prices or acreage allotments until Congress can make appropriate changes in the price support and acreage allotment laws, with a recommendation that it do pass.

This joint resolution is an emergency measure to stay any reduction in the support price or the acreage allotted for any agricultural commodity, except tobacco, until Congress has had an opportunity to consider such changes in the law as are necessary in the light of current conditions.

The resolution provides that the support price for any commodity, except tobacco, shall not be reduced below the 1957 level (in dollars and cents) until Congress can act. A comparison of 1957 and 1958 support prices is made in table 1.

TABLE 1.—Commodity Credit Corporation price-support levels and prices for 1957 and 1958 crops

| Commodity                       | Unit               | 1957 crops    |               | 1958 crops    |               |
|---------------------------------|--------------------|---------------|---------------|---------------|---------------|
|                                 |                    | Support level | Support price | Support level | Support price |
| Basic commodities:              |                    |               |               |               |               |
| Corn 1.....                     | Bushel.....        | 77.0          | \$1.40        | (2)           | (2)           |
| Cotton, extra long staple.....  | Pound.....         | 75.0          | .5970         | (2)           | (2)           |
| Cotton, upland.....             | do.....            | 78.0          | .2881         | 81            | \$0.3075      |
| Peanuts.....                    | do.....            | 81.4          | .1135         | (2)           | (2)           |
| Rice, rough.....                | Hundredweight..... | 82.0          | 4.72          | 75            | \$4.33        |
| Wheat.....                      | Bushel.....        | 79.0          | 2.00          | 75            | \$1.78        |
| Mandatory nonbasic commodities: |                    |               |               |               |               |
| Honey.....                      | Pound.....         | 70.0          | .97           | 70            | .96           |
| Dairy products:                 |                    |               |               |               |               |
| Manufacturing milk.....         | Hundredweight..... | 82.0          | 3.25          | 75            | 3.03          |
| Butterfat.....                  | Pound.....         | 79.0          | .586          | 75            | .562          |
| Tung nuts.....                  | Ton.....           | 65.0          | 52.13         | (2)           | (2)           |
| Tung oil.....                   | Pound.....         |               | .205          | (2)           | (2)           |
| Mohair.....                     | do.....            | 87.0          | .70           | 82            | .70           |
| Wool.....                       |                    | 101.0         | .62           | 95            | .62           |

Footnotes at end of table.



TABLE 1.—Commodity Credit Corporation price-support levels and prices for 1957 and 1958 crops—Continued

| Commodity                   | Unit                                     | 1957 crops    |               | 1958 crops    |               |
|-----------------------------|------------------------------------------|---------------|---------------|---------------|---------------|
|                             |                                          | Support level | Support price | Support level | Support price |
| Other nonbasic commodities: |                                          |               |               |               |               |
| Barley.....                 | Bushel.....                              | 70.0          | \$0.95        | 70            | \$0.93        |
| Beans, dry edible.....      | Hundredweight.....                       | 68.0          | 6.31          | 68            | 6.18          |
| Cottonseed.....             | Ton.....                                 | 65.0          | 46.00-42.00   | 65            | 45.00-41.00   |
| Flaxseed.....               | Bushel.....                              | 65.0          | 2.92          | 65            | 2.78          |
| Gum uaval stores.....       | Barrel (435 pounds processed basis)..... | 90.0          | 28.29         | 90            | 29.04         |
| Oats.....                   | Bushel.....                              | 70.0          | .61           | 70            | .61           |
| Rye.....                    | do.....                                  | 70.0          | 1.18          | 70            | 1.10          |
| Sorghums, grain.....        | Hundredweight.....                       | 70.0          | 1.86          | 70            | 1.83          |
| Soybeans.....               | Bushel.....                              | 70.0          | 2.09          | 70            | 2.09          |

<sup>1</sup> Commercial support for corn produced in compliance with acreage allotments.

<sup>2</sup> Not announced.

<sup>3</sup> Minimum.

<sup>4</sup> Unprocessed basis.

The resolution provides further that the total acreage allotted to any commodity under the Agricultural Adjustment Act of 1938 shall not be reduced below the total acreage allotted to such commodity for 1957. The national acreage allotments for wheat and rice for 1958 are the same as for 1957, the minimum provided by law, as follows: Wheat, 55 million acres, and rice, 1,652,596 acres. The total acreage allotted for corn in 1958 in the commercial corn area, which includes 38 more counties than in 1957, is 38,818,381 acres, as compared to 37,288,889 acres in 1957. The total acreage allotted to cotton for 1958 (17,554,528 acres) is slightly below the total acreage allotted to cotton in 1957 (17,585,463 acres) because the acreage required to provide the minimum State acreage allotments under section 302 of the 1956 act was only 63,224 acres in 1958, as compared to 94,159 acres in 1957. The total acreage allotted to extra long staple cotton is 83,286 acres in 1958, as compared with 89,357 acres in 1957, and the total acreage allotted for peanuts is 1,610,000 acres for 1958, as compared with 1,611,441 acres in 1957.

Several provisions of law governing the distribution of the total allotted acreage to States (in the case of rice) and to States, counties, and farms (in the case of cotton) expire with the 1958 crop. In the case of rice the provision establishing the minimum national acreage allotment and providing that the States share in it in the same proportion that they shared in the previous year's allotment expires this year. In the case of cotton the following provisions expire this year: (1) The provision for a minimum national acreage allotment equal to the 1956 allotment of 17,391,304 acres; (2) the provision for minimum State acreage allotments; and (3) the provision for minimum farm allotments and for the national acreage reserve established to provide additional acreage for Nevada and for other States to meet their needs in providing minimum farm allotments. In line with the purpose of the resolution to maintain the status quo until Congress can take appropriate further action, the resolution would prevent these provisions from expiring during the period covered by the resolution. The total acreage to be allotted for upland cotton under the resolution will thus be, not less than 17,585,463 acres, the total acreage allotted in 1957; and this will be allotted in the following manner. As required by section 302 of the Agricultural Act of 1956, a national acreage allotment equal to not less than the 1956 national acreage allotment of 17,391,304 acres will be apportioned to States as provided in section 344 (b) of the Agricultural Adjustment Act of 1938, as amended. An additional 100,000 acres will be set aside for apportionment as required by section 303 of the Agricultural Act of 1956 (to provide additional acreage for Nevada and for minimum farm allotment requirements). The re-

mainder of the total acreage to be allotted (or 94,159 acres if the national allotment is not more than 17,391,304 acres) will be used to increase each State allotment to 99 percent of its share of the national acreage allotment for the preceding year. Any part of such 94,159 acres not so used will be apportioned to States on the basis of their applicable 5-year base.

If the provisions of the joint resolution should require an increase in the 1958 acreage allotment for any commodity in an amount which would be so small as to make its allotment to States, counties, and farms impractical and too small to be of material benefit to farmers, it is not intended that such allotment would be made.

The committee has just completed hearings on general farm legislation and has received a number of varying views as to what action should be taken. It is clear that a satisfactory, long-range program cannot be worked out in time to prevent the substantial harm that would be done to farmers and to the program if support prices were permitted to drop temporarily.

The committee therefore recommends prompt enactment of this joint resolution.

#### CHANGES IN EXISTING LAW

The resolution makes no direct amendment of existing law, but extends the following provisions—which are now applicable only to 1957 and 1958—for the period covered by the resolution:

#### AGRICULTURAL ACT OF 1956

SEC. 302. Section 342 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended by adding at the end thereof the following: "Notwithstanding the foregoing provisions of this section, the national marketing quota for cotton for 1957 and 1958 shall be not less than the number of bales required to provide a national acreage allotment for 1957 and 1958 equal to the national acreage allotment for 1956: *Provided*, That if the acreage allotment for any State for 1957 or 1958 is less than its allotment for the preceding year by more than 1 percent, such State allotment shall be increased so that the reduction shall not exceed 1 percent per annum, and the acreage required for such increase shall be in addition to the national acreage allotment for such year. Additional acreage apportioned to a State for 1957 or 1958 under the foregoing proviso shall not be taken into account in establishing future State allotments."

SEC. 303. (a) Section 344 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided*, That there is hereby established a national acreage reserve consisting of 100,000 acres which shall be in addition to the national acreage allotment; and such reserve

shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under section (f) (1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be 1,000 acres), and the additional acreage so apportioned to the State shall be apportioned to the counties on the same basis and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 percent of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing proviso and under the last proviso in subsection (e) shall be determined as though allotments were first computed without regard to subsection (f) (1)."

(b) Section 344 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided further*, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved by the State committee under this subsection shall not be less than the smaller of (1) the remaining acreage so determined to be required for establishing minimum farm allotments or (2) 3 percent of the State acreage allotment; and the acreage which the State committee is required to reserve under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 percent of the county allotment determined without regard to such additional acreages)."

(c) Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing paragraph (1) to read as follows:

"(1) Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) four acres; or (B) the highest number of acres planted to cotton in any year of such 3-year period."

(d) The first sentence of section 344 (f) (6) of such act is amended to read as follows: "Notwithstanding the provisions of paragraph (2) of this subsection, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the remainder of the county acreage allotment (after making allotments as provided in paragraph (1) of this subsection) shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the 3 years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such 3-year period: *Provided*, That the county committee may in its



discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 percent of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 percent limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein."

(e) The amendments made by this section shall be effective only with respect to 1957 and 1958 crops. For the 1956 crop, an acreage in each State equal to the acreage allotted in such State which the Secretary determines will not be planted, placed in the acreage reserve or conservation reserve, or considered as planted under section 377 of the Agricultural Adjustment Act of 1938, as amended, may be apportioned by the Secretary among farms in such State having allotments of less than the smaller of the following: (1) four acres, or (2) the highest number of acres planted to cotton in any of the years 1953, 1954, and 1955.

SEC. 304. Section 353 (c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following:

"(5) Each of the State acreage allotments for 1956 heretofore proclaimed by the Secretary, after adding thereto any acreage apportioned to farms in the State from the reserve acreage set aside pursuant to subsection (a) of this section, shall be increased by such amount as may be necessary to provide such State with an allotment of not less than 85 percent of its final allotment established for 1955. Any additional acreage required to provide such minimum allotment shall be additional to the national acreage allotment. In any State having county acreage allotments for 1956, the increase in the State allotment shall be apportioned among counties in the State on the same basis as the State allotment was heretofore apportioned among the counties, but without regard to adjustments for trends in acreage.

"(6) The national acreage allotments of rice of 1957 and 1958 shall be not less than the national acreage allotment for 1956, including any acreage allotted under paragraph (5) of this subsection, and such national allotments for 1957 and 1958 shall be apportioned among the States in the same proportion that they shared in the total acreage allotted in 1956."

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. To keep the record straight, I think we should go back to the law now on the statute books, which crippled the farmer so much. It will be found that the President vetoed a new farm bill the Congress passed. So then Congress had to accept the present law which was on the statute books, and add to it the Soil Bank provision, which it is now acknowledged has been a great failure.

Mr. TALMADGE. The Senator could not be more correct. The farm legislation which the Congress has had to adopt has not been legislation which Congress thought to be ideal or desirable. Rather every piece of farm legislation which the Congress has enacted in recent years has been written in the light of a threatened White House veto.

We have been in somewhat the same position in which the defeated Premier

of Japan found himself when General MacArthur sent for him to come to the battleship *Missouri* to sign the documents of surrender. We have not been in much of a position to bargain. While we have had the votes to pass farm bills, we have not had sufficient votes to override a Presidential veto.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD the veto message of the President of the United States, Document No. 85.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES RETURNING WITHOUT APPROVAL THE JOINT RESOLUTION (S. J. RES. 162) TO STAY TEMPORARILY ANY REDUCTION IN SUPPORTING PRICES OR ACREAGE ALLOTMENTS

To the Senate:

I return herewith, without my approval, Senate Joint Resolution 162. I have given earnest consideration to the many representations made to me both for and against it. It is my judgment that to approve this resolution would be ill-advised, from the standpoint both of the Nation and of our farm families as well. It is regrettable that for the second time in 2 years the Congress has sent me a farm bill which I cannot in good conscience approve.

Specifically, the resolution would have such consequences as these:

1. It would pile up more farm products in Government warehouses.
2. It would restrict the growth of markets.
3. It would postpone the day when agriculture can be released from the straitjacket of controls.
4. It would bypass the problems of the small operator who produces so little for sale that price supports have scant meaning.
5. It would hold up the needed transition to modern parity and would in fact disregard the parity principle.
6. It would be unfair to those winter wheat growers who signed up under the 1958 acreage-reserve program with the understanding that the price supports which had then been announced would be the effective rates.

This resolution would fix farm-price supports and farm-acreage allotments at not less than existing levels. The true need is to relate both price supports and acreage allotments to growing market opportunities.

With regard to Government controls, what the farm economy needs is a thaw rather than a freeze.

Improvements have been made in farm legislation in recent years. The keys to these improvements have been expansion of markets and greater opportunity for our farm people to exercise their own sound judgment.

Fears were expressed by some that farm prices might collapse when high rigid price supports were abandoned. These fears did not materialize. Instead, farm prices rose. This month the index of prices received by farmers is 9 percent above the level that prevailed in June of 1955, when high rigid price supports were last generally in effect. The parity ratio now stands at 87, up 6 points from a year ago.

Most of agriculture is without production controls and without price support. This is generally true of meat animals, poultry, and fruits and vegetables.

There is impressive evidence that farmers stand to profit from less rather than more governmental intervention. Unsupported prices of cattle and hogs are unusually strong.

Despite these bright spots, many farm problems remain to be solved. The price-

cost squeeze continues to harass our farm people. Production restrictions impose a severe burden. Many of our farmers—those on farms not large enough to be profitable—are earning incomes which are below any generally accepted standards.

Cotton, wheat, corn, and other basic crops have major problems. Progress in solving the problems of these crops cannot be made by going backward. We must continue in the direction which the Congress set in 1954 and endorsed in 1956—changes in the direction of greater opportunity for adjustments made necessary by our everchanging agriculture.

I said, prior to the passage of this resolution, that what it proposed would be a turn of 180 degrees in the wrong direction. After reviewing the resolution in its final form, I adhere to this conviction.

For the 1957 crop, prices were supported, product by product, in accordance with a complex set of legislative and administrative considerations. The same was true in the establishment of acreage allotments. To carry these forward unaltered, despite changes in demand, in supply, and in surplus stocks, would be contrary to sound legislative procedures and would completely disregard economic fact.

Now I want to turn to the progress that has been made through programs already in effect. In recent years a many-sided attack on farm problems has been launched. Substantial gains have been achieved—

Through the rural development program to help those at the low end of the income scale.

Through market-making exports which last year reached an all-time high.

Through providing needed credit to family farms.

Through sharing our abundance with the needy at home and abroad.

Through market development in cooperation with producer organizations and the food trade.

Through surplus reduction, which has cut down our stocks by more than a billion dollars.

Through stepped-up research to find new uses for farm products.

Through special programs to increase milk consumption.

Through expanded long-range conservation measures.

While it is necessary to reject the freeze embodied in this resolution, the Congress and the executive branch can be helpful in other ways.

A five-point program should be undertaken, involving various separate but related actions. Some of these are the responsibility of the Congress and some are administrative. Some call for legislation, while ample authority already exists for others.

1. The old basic law should be revised. On January 16, 1958, I sent to the Congress, a special message on agriculture, which recommended needed changes. Many of the problems will be alleviated if the Congress will act on these proposals in this session:

Authority to increase acreage allotments up to 50 percent, and to widen the range within which price supports may be provided.

Elimination of acreage allotments for corn, permitting all corn farmers to plant in accordance with their best management decisions, so that price supports would apply to all corn rather than, as the freeze bill would have it, to only about 1 acre in 7 in the commercial corn area.

Abolishment of escalator clauses in the law because these rigid provisions keep farm people continually under the shadow of price-depressing surpluses.

Extension of the Agricultural Trade Development and Assistance Act, with sub-



stantial increased authority to move surplus stocks abroad.

Shifting the price supports for cotton to the average of the crop, the same as for all other farm products.

There is opportunity to make these needed changes before fall seeding time if the matter is undertaken promptly.

2. When these necessary legislative changes have been made, 1959 acreage allotments will be established at levels as high or higher than those prevailing in 1958. Certain statutory provisions which place a floor under acreage allotments for cotton and rice are scheduled to expire after the 1958 crop. Producers face sharp acreage reductions unless the law is changed. When the Secretary of Agriculture has been given the necessary authority to adjust price supports and acreage allotments he will set 1959 allotments at levels at least as high as those in use this year. For cotton and rice these allotments will be substantially above the levels which would otherwise prevail.

3. When necessary new authorization is provided in keeping with my legislative recommendations, the special export programs for our surplus crops will be enlarged. Opportunities exist to export, both for dollars and through special programs, large quantities of our staple commodities.

Wheat is becoming better known to consumers abroad. Market development and promotional activities have made more people acquainted with the merits of our many export products. These commodities can alleviate hunger and need, and should be so used.

4. Dairy products acquired under the price-support operation will be used outside the regular domestic commercial market. These products will not be offered for sale in such markets during the remainder of 1958 at less than 90 percent of parity. While freezing supports would not be a useful step, we seek to help the dairy industry in other ways.

To strengthen markets, the butter, cheese, and dry milk acquired under price support will be donated to the school-lunch program, to charitable institutions, and to needy persons. Exports will be made when this can appropriately be done.

Such inventory management will serve to bolster the market.

Meanwhile, the administration will continue to support the special school milk and armed services milk programs. We will also support as a further aid to dairy farmers, the accelerated brucellosis control program. Stepped up promotional activity will increase consumption.

Every constructive step available to us will be taken to increase the use of our wholesome dairy products.

5. An export program for cotton, corn, and other feed grains, similar to the present export program on wheat, will be put into effect. This can be done without legislation. The effect of this program will be to move these products directly from commercial markets to the export trade without running them through the Commodity Credit Corporation. Under the wheat-export program farmers have obtained broader markets and substantial price benefits in the marketplace. Marketing efficiency has been promoted and the amount of wheat which has flowed into Government channels has been reduced. The new program for cotton and feed grains is expected to have similar effects.

To meet the rapidly changing conditions in agriculture, farmers must be able to make their own management decisions on their own farms. They must not have their production and prices frozen in an outmoded pattern. They must not be made the captives of a restricted history; they must be given freedom to build a brighter future. This can be done if farmers and those who

serve them will team up in support of sound legislative and administrative action.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, March 31, 1958.

Mr. TALMADGE. I also ask unanimous consent to have printed in the RECORD at this juncture in my remarks the statement I issued on March 31, 1958, in commenting on the President's veto.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT OF SENATOR TALMADGE

President Eisenhower's veto of the farm bill constitutes a callous denial of the last straw of protection for that segment of the American economy most in need of help.

The action can have only one possible effect—to worsen the current recession and to add to unemployment at a time when every possible step should be being taken to bolster all facets of the national economy.

With Congress engaged in a sustained effort to relieve economic distress and unemployment, it is incomprehensible that the farmers of America should be refused the minimum assurance that nothing will be done to worsen their desperate plight.

This veto reflects the administration's total lack of comprehension of the basic facts that the present recession has its roots in the farm depression caused by the disastrous Benson farm policies and that it will not be cured so long as the farmer is denied his proportionate share of the national purchasing power.

With farm prices down 16 percent and farm income down 20 percent since 1952 and still dropping, it takes no economist to see that industry and business are suffering because the farmer cannot afford to buy their goods.

It is clear to me that the economy of the United States will not be put back on its feet until a bold and realistic new farm program is enacted which will let the farmer farm and guarantee him his rightful portion of the national income.

I hope for the sake of the American economy that that day will not be long coming.

Mr. TALMADGE. When it became apparent that the President would not permit the extension of present price supports and acreage allotments, representing, in part, a large cotton-producing State, I considered it necessary and vital to offer proposed legislation to extend the present cotton-acreage allotments for the entire country. So I introduced for myself and five colleagues, on March 6, 1958, a bill which would have extended permanently the present national cotton-acreage allotment, of approximately 17,600,000 acres.

Because cotton allotments were so small, particularly in the traditional cotton area, I felt such legislation was essential if cotton farmers were to make a living. For instance, in 1949 we planted more than 28 million acres of cotton. This year the acreage is only 12½ million acres. In other words, cotton acreage has been reduced more than 50 percent during the past 9 years.

That bill was reported unanimously by the Senate Committee on Agriculture and Forestry on March 11, 1958. It is pending on the Senate Calendar today as Calendar No. 1393.

We attempted to bring the measure up for debate on April 22, 1958. However, at that time we were informed by the minority leader and members of the minority party who had supported the

proposed legislation in the Committee on Agriculture and Forestry that the situation had changed and they could no longer support the measure. Taking a realistic view and desiring to avoid a defeat which could have prejudiced our cause, we did not urge the majority leader to make it the pending business. That, Mr. President, was a sad commentary, because without cotton legislation of some kind for the next year, the cotton farmers through the length and breadth of the United States faced a further acreage reduction of 20 percent. That would have been in addition to the 50-percent acreage reduction of the past 9 years.

Mr. President, I ask unanimous consent to have inserted in the RECORD S. 3408, which is my bill to extend present cotton allotments, which bill is now pending on the calendar.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That (a) section 342 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the last two sentences of such section and inserting in lieu thereof the following: "Notwithstanding the foregoing provisions of this section, the national marketing quota for cotton for 1958 and subsequent years shall be not less than the number of bales required to provide a national acreage allotment for each such year equal to the national acreage allotment for 1956: *Provided*, That if the acreage allotment for any State for 1958 or any subsequent year is less than its allotment for the preceding year by more than 1 percent, such State allotment shall be increased so that the reduction shall not exceed 1 percent per annum, and the acreage required for such increase shall be in addition to the national acreage allotment of such year. Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State allotments."

(b) Section 303 (e) of the Agricultural Act of 1956 is repealed.

(c) Notwithstanding any other provision of law, the total acreage allotted for any crop of upland cotton shall not be less than that allotted for the 1957 crop of upland cotton.

SEC. 2. Paragraph (2) of section 344 (m) of such act is amended by striking out the period at the end of the second sentence of such paragraph and inserting in lieu thereof the following: "; but no such acreage shall be surrendered to the State committee so long as any farmer receiving a cotton acreage allotment in such county desires additional cotton acreage."

Amend the title so as to read: "A bill to amend the Agricultural Adjustment Act of 1938, as amended, so as to provide minimum National, State, and farm acreage allotments, and for other purposes."

Mr. TALMADGE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD the remarks I made upon introducing that bill on March 6, 1958.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### TRANSFER TO OTHER STATES OF CERTAIN COTTON ACREAGE ALLOTMENTS

Mr. TALMADGE. Mr. President, despite rapid industrialization, the economy of my State of Georgia still is primarily an agricultural one, with cotton as the principal cash crop.



Therefore, it goes without saying that whatever hurts cotton, hurts the economy of the entire State.

Georgia cotton farmers presently are in more dire financial straits than at any time since the depression of the thirties. Caught in the squeeze between ever-constricting acreage allotments and ever-increasing costs of production, many are being forced out of business altogether. Most of those who are continuing to grow cotton are doing so at a loss, and a large number are finding it necessary to mortgage their farms in order to maintain their operations.

A major factor in this deterioration of Georgia's cotton economy is the transfer to other States under the Benson farm program of the acreage allotments of those farmers who cease planting. This constitutes a continual drain of Georgia's historically-allotted cotton acreage and, if allowed to continue, will have the eventual result of drying up the rural areas of my State.

Recognizing the peril thus posed for Georgia's economy, the House of Representatives of the General Assembly of Georgia has adopted a resolution petitioning Congress to reverse this disastrous policy of transferring allotted acreage. I ask unanimous consent, Mr. President, that this resolution be printed herewith in the RECORD as a portion of my remarks, and appropriately referred for consideration.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

"Whereas cotton has played an important and significant part in the development of Georgia, the great empire State of the South; and

"Whereas cotton farming continues to make a significant contribution to Georgia's economy; and

"Whereas cotton producers, cotton ginners, cotton warehousemen, and industries allied directly with cotton production, and the many thousands of Georgia people who are dependent on cotton production in Georgia, face grave and serious consequences as a result of Ezra Taft Benson's policies on cotton; and

"Whereas Mr. Benson's removal of cotton acreage from Georgia will add another blow to the Georgia economy: Now, therefore, be it

*Resolved*, That we condemn the Benson policy of removing cotton acreage from our State and making it available to Western States; and be it further

*Resolved*, That we respectfully request Senator RUSSELL, Senator TALMADGE, the House of Representative in the Congress of the United States, and the Georgia delegation, to use their prestige, influence, and general legislative know-how to maintain present and reestablish past losses of cotton acreage in Georgia caused by unwise and uneconomical policies of the United States Department of Agriculture."

Mr. TALMADGE. Mr. President, in response to the request in the resolution, I am today introducing, on behalf of my colleagues, the senior Senator from Georgia [Mr. RUSSELL], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. SCOTT], the Senator from Missouri [Mr. SYMINGTON], and myself, a bill to remedy this situation. In essence, it would do two things: First, provide that cotton acreage allotments cannot be reduced below the level of those in effect for 1956; and, second, prohibit the transfer of relinquished acreage allotments from any county so long as there is any cotton farmer in that county desiring additional acreage.

The enactment of such a measure, Mr. President, would go far toward preventing further economic dislocation in the cotton-growing areas of Georgia and the

South, and, equally as important, would serve to right the injustice of depriving the States of the Cotton Belt of the cotton acreage to which they are historically entitled.

I ask, Mr. President, that the bill be received, appropriately referred, and printed in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3408) to amend the Agricultural Adjustment Act of 1938, as amended, so as to provide that cotton acreage allotments for the States for 1958 and subsequent years shall be no less than 1956, and for other purposes, introduced by Mr. TALMADGE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. TALMADGE. I also ask unanimous consent to have printed in the RECORD Senate Report No. 1371, which was the report of the Senate Committee on Agriculture and Forestry in unanimously reporting S. 3408 to the Senate.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 3408) to amend the Agricultural Adjustment Act of 1938, as amended, so as to provide that cotton-acreage allotments for the States for 1958 and subsequent years shall be no less than in 1956, and for other purposes having considered the same report thereon with a recommendation that it do pass with amendments.

This bill, with the committee amendments, would make permanent the following provisions of the cotton-acreage-allotment law, which are now applicable only for the years 1957 and 1958:

(1) The provision for a minimum national acreage allotment equal to the 1956 allotment of 17,391,304 acres;

(2) The provision for minimum State acreage allotments; and

(3) The provision for minimum farm allotments and for the national acreage reserve established to provide additional acreage for Nevada and for other States to meet their needs in providing minimum farm allotments.

In addition, it would (a) prescribe that the total acreage allotted to cotton in any year should not be less than the total acreage allotted to cotton in 1957; and (b) keep cotton acreage surrendered under the surrender and reapportionment provisions of the law within the county, so long as any farmer in the county who has a cotton acreage allotment desires the surrendered acreage.

The committee amendments to the first section of the bill are designed to make that section conform to the action taken by the committee in reporting Senate Joint Resolution 162. The committee believes that present conditions require many changes in the farm program, but that these may take a little time to work out and, in the meantime, any reduction in total allotted acreage or in minimum allotments which might adversely affect farmers and the farm program should be stayed.

The total acreage to be allotted for upland cotton under the bill would be not less than 17,585,463 acres (the total acreage allotted in 1957); and this will be allotted in the following manner: As required by the last 2 sentences of section 342 of the Agricultural Adjustment Act of 1938, as extended by the bill, a national acreage allotment equal to not less than the 1956 national acreage allotment of 17,391,304 acres will be apportioned to States as provided in section 344 (b) of the Agricultural Adjustment

Act of 1938, as amended. An additional 100,000 acres will be set aside for apportionment as required by section 303 of the Agricultural Act of 1956, as extended by the bill (to provide additional acreage for Nevada and for minimum farm allotment requirements). The remainder of the total acreage to be allotted (or 94,159 acres if the national allotment is not more than 17,391,304 acres) will be used to increase each State allotment to 99 percent of its share of the national acreage allotment for the preceding year. Any part of such 94,159 acres not so used will be apportioned to States on the basis of their applicable 5-year base.

If the increase in the 1958 acreage allotment for any commodity would be so small as to make its allotment to States, counties, and farms impractical and too small to be of material benefit to farmers, it is not intended that such allotment would be made.

Transfer of cotton acreage from one county to another hurts the economy of the county from which the transfer is made. Section 2 of the bill therefore prohibits such transfer in the case of acreage surrendered for reapportionment so long as any farmer in the county with a cotton acreage allotment desires such acreage.

The bill repeals certain provisions applicable to 1957 and 1956 simply because those provisions have already been executed. No substantive change in the law therefore is intended by this repeal. Additional acreage allotted in 1957, which under existing law would not be counted in computing future allotments, would not be counted under the amendment made by the bill.

Enactment of this bill would not result in any additional expenditure.

The committee amendment to the title is designed to reflect the committee amendments to the bill.

#### CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

#### AGRICULTURAL ADJUSTMENT ACT OF 1938

Sec. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of 500 pounds gross weight) adequate, together with (1) the estimated carryover at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. The national marketing quota for any year shall be not less than 10 million bales or 1 million bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller: *Provided*, That the national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of 21 million acres. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made. Notwithstanding the foregoing provisions of this section, the national marketing quota for cotton for [1957 and] 1958 and subsequent years shall be not



less than the number of bales required to provide a national acreage allotment for [1957 and 1958] each such year equal to the national acreage allotment for 1956: *Provided*, That if the acreage allotment for any State for [1957 or 1958] or any subsequent year is less than its allotment for the preceding year by more than 1 percent, such State allotment shall be increased so that the reduction shall not exceed 1 percent per annum, and the acreage required for such increase shall be in addition to the national acreage allotment for such year. Additional acreage apportioned to a State for [1957 or 1958] any year under the foregoing proviso shall not be taken into account in establishing future State allotments. (7 U. S. C. 1342)

\* \* \* \* \*

SEC. 344. \* \* \*

\* \* \* \* \*

(m) \* \* \*

(2) Any part of any farm cotton acreage allotment on which cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of cotton, land, labor, equipment available for the production of cotton, crop rotation practices, and soil and other physical facilities affecting the production of cotton. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State acreage reserve under subsection (e) of this section; *but no such acreage shall be surrendered to the State committee so long as any farmer receiving a cotton acreage allotment in such county desires additional cotton acreage*. Any allotment transferred under this provision shall be regarded for the purposes of subsection (f) of this section as having been planted on the farm from which transferred rather than on the farm to which transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having cotton planted thereon during the 3-year base period: *Provided*, That, notwithstanding any other provisions of law, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein. Acreage surrendered, reapportioned under this paragraph, and planted shall be credited to the State and county in determining future acreage allotments. The provisions of this paragraph shall apply also to extra-long-staple cotton covered by section 347 of this act.

#### AGRICULTURAL ACT OF 1956

SEC. 303. (a) Section 344 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided*, That there is hereby established a national acreage reserve consisting of 100,000 acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be 1,000 acres), and the additional acreage so apportioned to the State shall be apportioned to the counties on the same basis and added to the county acreage allotment for apportionment to farms pursuant to subsection (f)

of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 percent of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing proviso and under the last proviso in subsection (e) shall be determined as though allotments were first computed without regard to subsection (f) (1)."

(b) Section 344 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided further*, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved by the State committee under this subsection shall not be less than the smaller of (1) the remaining acreage so determined to be required for establishing minimum farm allotments or (2) 3 percent of the State acreage allotment; and the acreage which the State committee is required to reserve under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 percent of the county allotment determined without regard to such additional acreages)."

(c) Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing paragraph (1) to read as follows:

"(1) Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) four acres; or (B) the highest number of acres planted to cotton in any year of such 3-year period."

(d) The first sentence of section 344 (f) (6) of such act is amended to read as follows: "Notwithstanding the provisions of paragraph (2) of this subsection, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the remainder of the county acreage allotment (after making allotments as provided in paragraph (1) of this subsection) shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the 3 years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such 3-year period: *Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 percent of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 percent limitation shall be added to the county acreage reserve under para-

graph (3) of this subsection and shall be available for the purposes specified therein."

[(e) The amendments made by this section shall be effective only with respect to 1957 and 1958 crops. For the 1956 crop, an acreage in each State equal to the acreage allotted in such State which the Secretary determines will not be planted, placed in the acreage reserve or conservation reserve, or considered as planted under section 377 of the Agricultural Adjustment Act of 1938, as amended, may be apportioned by the Secretary among farms in such State having allotments of less than the smaller of the following: (1) 4 acres, or (2) the highest number of acres planted to cotton in any of the years 1953, 1954, and 1955.]

Mr. TALMADGE. I also ask unanimous consent to have printed at this point in the RECORD the prepared text of my explanation of the bill which I had planned to deliver before the Senate had my bill been considered.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TEXT OF REMARKS OF SENATOR HERMAN E. TALMADGE, OF GEORGIA, BEFORE THE SENATE OF THE UNITED STATES IN SEEKING PASSAGE OF HIS BILL, S. 3408, TO FREEZE COTTON ACREAGE ALLOTMENTS AT THE 1957 LEVEL AND TO LIMIT THEIR TRANSFER FROM THE COUNTIES TO WHICH THEY ARE HISTORICALLY ASSIGNED

Mr. President, before proceeding to a discussion of the pending bill (S. 3408), I wish to ask unanimous consent that the able and distinguished junior Senator from Mississippi [Mr. STENNIS], the original author of the provisions of law which S. 3408 proposes to extend, be listed as one of its cosponsors.

Mr. President, I have been keenly disappointed that circumstances have prevented this session of Congress from enacting a bold and realistic new farm program needed to rescue the farmers of this Nation from the continually worsening farm depression which threatens to destroy our agricultural economy.

I am convinced that the current economic recession about which we all are so concerned has its roots in the farm depression which began 5 years ago. And it is my considered opinion that the economy of the United States will not be put back on its feet until Congress is able to enact a new farm program.

Such a program, to be successful, will have to be a radical departure from the stereotyped concepts and admitted failures of the past. It will have to be one which will give the farmer the same protection which labor receives through the minimum wage and industry through the tariff. It will have to be one which will let the farmer farm and which will guarantee him his rightful share of the national income.

The action of Congress in passing Senate Joint Resolution 162 to stay further reductions in price supports and acreage allotments encourages me to believe that the day when such a new farm program can be enacted is rapidly approaching.

Most assuredly it serves as a ray of hope to the farmers of America and demonstrates that the majority of the Members of Congress is not insensible to their desperate plight.

And it is in that light that I today ask the Senate to give its approval to S. 3408, a bill supplemental to Senate Joint Resolution 162 which I have introduced for myself and the Senators from Georgia [Mr. RUSSELL], South Carolina [Mr. JOHNSTON], Mississippi [Mr. EASTLAND, and Mr. STENNIS], North Carolina [Mr. SCOTT], and Missouri [Mr. SYMINGTON].

S. 3408 is one of a series of individual commodity bills which have been perfected and



approved by the Senate Committee on Agriculture and Forestry. As is the case with the other commodity bills, it seeks only to assure cotton farmers that nothing will be done to worsen their situation until Congress can enact a new farm program.

The principal objectives of S. 3408 is to bring forward and make permanent certain provisions of the farm law as it applies to cotton which otherwise will expire this year.

It does three things:

First, it prevents the total acreage allotted to cotton from being reduced below the acreage allotted in 1957.

Second, it makes permanent the provisions of law which have been applicable for 1957 and 1958 to provide for minimum national, State and farm acreage allotments and for additional acreage required to help States and counties in meeting those minimums.

Third, it keeps surrendered acreage within the county if it can be used there.

The total acreage allotted to cotton in 1957 was 17,585,463 acres. This would be the minimum acreage to be allotted to cotton in any year under the bill.

Section 302 of the Agricultural Act of 1956 amended section 342 of the Agricultural Adjustment Act of 1938 to provide for a minimum national acreage allotment for 1957 and 1958 equal to the 1956 national allotment of 17,391,304 acres. This provision would be extended by the bill to provide a minimum national acreage allotment of 17,391,304 acres for all future years.

The 1956 amendment to section 342 further provided for a minimum State-acreage allotment for 1957 and 1958 equal each year to 99 percent of the State's share of the national allotment for the preceding year. This provision would be extended to future years by the bill.

Section 303 of the 1956 act provided for minimum farm acreage allotments equal to the smaller of 4 acres or the highest acreage planted to cotton in any of the 3 preceding years.

To assist States and counties in meeting these minimum farm allotments without cutting the allotments of other farms, section 303 provided further for an additional 100,000 acres to be allotted to States and counties on the basis of their needs for such acreage. Further, section 303 required the States to reserve a part of their allotments to be devoted to helping counties provide these minimum allotments.

A special provision of section 303 specified that Nevada's share of the additional 100,000 acres should be 1,000 acres in order that that State would have sufficient cotton acreage to support a cotton gin.

The situation with respect to the small family-size farm constituted a critical economic problem in the South in 1956 and, even with the minimums provided by section 303, continues to do so.

Section 303, which is effective only for 1957 and 1958, has provided the margin of survival for hundreds of small farmers in the South. To remove its scant protection at this time would be to invite even more severe economic dislocation and unemployment in the Cotton Belt.

I do not believe, Mr. President, there is anyone who will disagree that a 4-acre allotment is the very minimum on which a farmer can be expected to support himself and his family.

Section 2 of the bill amends that provision of law which permits a farmer to surrender all or any part of his cotton acreage allotment to the county committee for reapportionment.

The law now provides that cotton acreage so surrendered which is not deemed to be needed in the county may be surrendered by the county committee to the State committee for reapportionment in other counties in the State.

Section 2 of S. 3408 would prevent such surrender of acreage by county committees so long as additional acreage is desired by other cotton farmers in the county to which it originally was assigned.

The transfer of cotton acreage from one county to another hurts the economy of the country from which the transfer is made. Sustained transfers of acreage have the effect of drying up the economy of those areas from which it is taken and over a period of time results in severe economic dislocation.

S. 3408 would serve to minimize such economic injury and to right the injustice of depriving counties of the cotton acreage to which they are historically entitled.

I ask unanimous consent, Mr. President, that the proposed changes in existing law as contemplated by S. 3408 and contained in Senate Report No. 1371 thereon be printed herewith in the RECORD as a portion of my remarks.

I further ask unanimous consent, Mr. President, that the table prepared by the staff of the Senate Committee on Agriculture and Forestry setting forth State cotton acreage histories since 1953 and showing the acreage benefits which would be derived by each cotton-growing State through the enactment of S. 3408 also be printed herewith in the RECORD as a portion of my remarks.

In addition, I ask unanimous consent, Mr. President, to have printed as a part of my statement a table supplied me by the Committee on Agriculture and Forestry giving a statistical picture of American cotton production, consumption, and export since 1930.

Should S. 3408 not be enacted and marketing quotas be reduced to the 10 million bale minimum, Mr. President, it is possible that the Secretary of Agriculture could reduce the national cotton acreage allotment for 1959 to as low as 13,500,000 acres.

It goes without saying, Mr. President, that no cotton farmer, small or large, could stand such an acreage cut. It would spell doom for the entire American cotton economy.

S. 3408 is not an attempt to write a new cotton program but rather an attempt to preserve the status quo.

I hope, Mr. President, this Senate will not deny the cotton farmers of America this last frail straw of legislative protection.

Mr. TALMADGE. I also ask, Mr. President, unanimous consent to have printed at this point in the RECORD the statement I made on May 8, 1958, urging passage of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### COTTON ACREAGE ALLOTMENTS

Mr. TALMADGE. Mr. President, the Wall Street Journal of Wednesday, May 7, quotes Secretary of Agriculture Ezra T. Benson as stating that cotton-acreage allotments will be cut to around 14 million acres next year unless Congress amends the present farm law.

The Secretary had reference to the fact that certain provisions of the Agricultural Adjustment Act of 1938, as amended, applying to cotton, are due to expire at the end of the present year. Should they be permitted to expire, the Secretary would then have discretion to reduce marketing quotas to the 10-million-bale minimum, and the national cotton-acreage allotment for 1959 could be cut to as low as 13,500,000 acres.

The statement attributed to Mr. Benson indicates he is thinking in terms of 14 million acres—a figure which, if imposed, would mean an acreage reduction of 22.3 percent.

It goes without saying that no cotton farmer, small or large, could stand such an acreage cut. It would plow under the remainder of the Nation's small cotton farmers and spell doom for the entire American cotton economy.

There already is a shortage of good quality spinnable cotton, and the supply will grow even shorter this year due to the fact that more than 5 million acres of cotton have been placed in the soil bank. Should only 14 million acres be planted next year, the United States will not produce enough cotton to supply its domestic and export needs.

There presently is pending on the Senate Calendar S. 3408, a bill which I have introduced on behalf of myself and six of my colleagues, which would bring forward and make permanent the expiring provisions of the farm law as it applies to cotton.

S. 3408 would do three things:

First, it would prevent the total acreage allotted to cotton from being reduced below the acreage allotted in 1957.

Second, it would make permanent the provisions of law which have been applicable for 1957 and 1958 to provide for minimum National-State, and farm-acreage allotments and for additional acreage required to help States and counties in meeting those minimums.

Third, it would keep surrendered acreage within the county if it could be used there.

I hope, Mr. President, that the cotton industry will get behind and support my bill, S. 3408, in order that the catastrophic circumstance forecast by Secretary Benson can be forestalled.

I ask unanimous consent, Mr. President, that the statement of Mr. Benson as reported in the Wall Street Journal be printed herewith as part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

"Cotton planting allotments will be slashed to around 14 million acres in 1959 unless Congress amends farm legislation now on the books. This prediction was made to newsmen by Agriculture Secretary Benson, who declared such a drop in acreage would be very bad for cotton. Allotments in recent years have been held at 17.6 million acres by a law that expires after 1958. Mr. Benson again advocated legislation permitting farmers to plant more cotton in exchange for lower price supports."

Mr. TALMADGE. Mr. President, it has been apparent to me for a number of years that the farm programs under which we have been operating have not served their intended purpose to maintain an adequate farm income.

It has been stated on the floor of the Senate time after time during the course of this debate that farmers are continuing to leave the farm. They are going to the cities to compete with an already overabundant labor supply. Their income is declining. They are finding it impossible to support themselves and their families on the small acreage allotments in effect.

It also has been stated time after time during the course of this debate that the present farm population of the country stands at about 12 percent of the total. Yet, that 12 percent is earning only approximately 3½ percent of our gross national product.

Certainly that means it is incumbent upon Congress to adopt some new, bold, courageous farm program which will give the farmers the same relative purchasing power nonfarmers have.

That means it is necessary to enact some agricultural legislation which will provide for farmers a guaranty similar to that which workers in interstate commerce have under the minimum wage laws.



That means it is necessary that the farmers have the same degree of protection which members of unions have through the power of collective bargaining.

That means it is necessary that the people who till the soil for a living must have the same type of protection our industries have through protective tariffs, Government subsidies, accelerated tax amortization, and other aids.

In an effort to provide some legislation of that type, I drafted a bill which I outlined before the Senate on April 23, 1958. Following that, Mr. President, I suggested to the newspapers and radio and television stations of my State that I would like to have farmer reaction to my proposal.

I am happy to report to the Senate that the reaction of the farmers and other citizens not only in my own State but throughout the country has been overwhelmingly favorable.

The proposed legislation was introduced June 9, 1958, and I have received hundreds of letters of support from people in all walks of life in all parts of the Nation.

My proposal has been endorsed by the agriculture commissioners of the States of Georgia and Alabama, by the Alabama Legislative Cotton Study Committee, by the president of the Georgia Farm Bureau Federation, and by many daily newspapers not only in Georgia but also in other States.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD my remarks delivered before the Senate on April 23 and the accompanying table.

There being no objection, the remarks and table were ordered to be printed in the RECORD, as follows:

#### FAILURE OF PRESENT FARM PROGRAM

Mr. TALMADGE. Mr. President, the time has come when Congress must face up to the fact that our present farm program has been a miserable failure.

It has depressed farm prices below the subsistence level.

It has forced farmers to abandon their farms.

It has stimulated artificially high prices for consumer goods.

It has generated unmanageable surpluses of farm commodities.

It has robbed the United States of its world market.

It has resulted in a farm depression which has mushroomed into a general recession.

Our experience has proved conclusively that reduced acreage, reduced prices, and rising costs lead only to reducing farm income to a disaster level. It has shown beyond contradiction that it is impossible to reduce production by reducing prices, to control production by reducing acreage or to bring supply into line with demand through research which has the effect of increasing supplies.

Mr. President, we have reached the point where the future of the American economy is directly dependent upon the formulation of a bold, realistic, new farm program which will get away from the compounded failures and stereotyped concepts of the past.

To be successful such a program must be one which will, first, let the farmer farm; second, guarantee the farmer his proportionate share of the national income; and third, place American agricultural commodities back on the world market at competitive prices.

These objectives can never be achieved until the Federal Government is removed from the business of buying, storing, and selling agricultural commodities, and the responsibility for marketing farm produce is returned to the farmer and private enterprise, where it belongs.

These objectives can be achieved only by freeing the farmer to plant and sell his crops as he sees fit with the Federal Government paying him the difference between the prices he receives for commodities sold for domestic consumption and parity.

Mr. President, I am enough of a Jeffersonian Democrat to believe that we would all be better off if our entire economy were freed and allowed to seek its own level. But, by the same token, Mr. President, I am enough of a realist to know that with virtually every other segment of the Nation's economy protected by law, the farmer cannot be left as the only person without a legislative guaranty of his proportionate share of the national income.

If the farmer is to share in the general prosperity of the rest of the country—if he is to own an automobile, send his children to school, and enjoy a reasonable standard of living—it is essential that a new farm program be devised which will give him that assurance.

The farmer has the right to expect from the Federal Government protection equivalent to that received by labor through the minimum wage and industry through the tariff and subsidies.

As a farmer myself, Mr. President, I have given long and serious thought to this problem. While I do not profess to have the answer, I do believe that a program of compensatory payments offers the best hope of achieving the objectives which must be a part of any workable farm program.

With respect to the wool industry, compensatory payments have been recommended by the Secretary of Agriculture and the President of the United States. The Committee on Agriculture and Forestry has reported a bill providing for such payments,

and the bill is pending on the calendar at this time. If it is fair for the woolgrowers of the country to receive compensatory payments, it seems to me it would be equally fair for the producers of other basic farm commodities to receive such payments.

The best thing which Congress could do for the American farmer—and for the entire United States—Mr. President, would be to completely abolish the patchwork of discredited programs with which the national economy is now burdened and begin again on the simple basis of free-enterprise farming bolstered by a system of compensatory payments.

This could be easily done through a five-point program which would, first, eliminate all acreage controls and Government loans; second, assign each farmer growing basic commodities a domestic production quota to be expressed in terms of unit measurements—pounds, bushels, bales—which would be the same percentage of the national consumption of basic commodities that the farmer's historic acreage base bears to the total national acreage base; third, guarantee and pay to each farmer a sales price support of the difference between the price he receives for his domestic production quota and 100 percent of parity; fourth, require each farmer to submit a bill of sale with his application for sales price support payments; and, fifth, impose a maximum of \$25,000 on the amount of sales price support payments which any individual farmer could receive.

Mr. President, I asked the Legislative Reference Service of the Library of Congress to prepare for me a table showing the estimated cost of such a program on the basis of 90 percent of parity. This table shows the cost, exclusive of corn, to be only \$1,282 million to \$1,644 million. Projected to 100 percent of parity, the cost would be only \$1,410,200,000 to \$1,808,400,000.

I ask unanimous consent, Mr. President, that this table be printed herewith in the RECORD as a portion of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Estimated annual payments required to make up difference between 90 percent of parity and market prices on domestic production quotas of the basic commodities (except corn)*<sup>1</sup>

| Commodity        | Approximate domestic utilization | 90 percent of parity price Dec. 15, 1957 | Estimated payment requirements per unit | Total payments (million) |
|------------------|----------------------------------|------------------------------------------|-----------------------------------------|--------------------------|
| Cotton           | 9,000,000 bales                  | 33.7 cents per pound                     | \$40 to \$55 per bale                   | \$300-495                |
| Wheat (food use) | 500,000,000 bushels              | \$2.25 per bushel                        | \$1 to \$1.25 per bushel                | 500-625                  |
| Rice             | 17,000,000 hundredweight         | \$5.25 per hundredweight                 | \$1.75 to \$2 per hundredweight         | 30-34                    |
| Tobacco          | 1,700,000,000 pounds             | Differs for different types              | 20 to 25 cents per pound                | 340-425                  |
| Peanuts          | 1,300,000,000 pounds             | 12 cents per pound                       | 4 to 5 cents per pound                  | 52-65                    |
| Corn             | 3,100,000,000 bushels            | \$1.63 per bushel                        | 50 to 70 cents per bushel               | (1)                      |
| Total            |                                  |                                          |                                         | 1,282-1,644              |

<sup>1</sup> Assuming no acreage controls and Government loans. Since only a small amount of corn is sold off the farms where it is produced, it did not seem feasible to include corn.

Mr. TALMADGE. Mr. President, that cost figure compares with the figure of \$3,250,000,000 given by the Secretary of Agriculture as the cost of our present farm programs of which less than \$1,200,000,000 goes to farmers in the form of price supports.

Therefore, Mr. President, it is obvious that such a program of compensatory payments not only would cost almost \$1,500,000,000 less but also would put \$500 million more each year in the pockets of the American farmers.

The Legislative Reference Service estimates the savings at between 2 and 3 billion dollars. That is a bargain any way one chooses to look at it.

But more important than the money involved, it offers even greater intangible benefits.

It is extremely simple, and would take the redtape out of the farm program.

It would eliminate the regimentation and dictation imposed by acreage controls.

It would let the farmer plant what he wants and sell it as he pleases.

It would take the Federal Government out of the business of buying, storing, and selling farm commodities and place the responsibility for marketing with the farmer and private enterprise where it belongs.

It would guarantee the farmer his proportionate share of the national income and restore agriculture to a free enterprise, competitive base.

It would end the accumulation of the national farm surplus which has glutted the Nation's markets and stagnated its economy.

It would make the national farm program an estimable budget item which would remain relatively stable over the years.

It would mean lower prices to both the consumer and industry and would put American agricultural products, both raw and processed, back on the world market at competitive prices.



It would give the farmer protection equivalent to labor's minimum wage and industry's tariff.

And it would mark a new and fresh start which would get away from the stereotyped concepts and failures of the past.

Mr. President, the most unfortunate aspect of the present agricultural dilemma is that, to put it bluntly, it is the product of partisan politics.

The welfare of our farmers and the protection and preservation of our national economy demand that we cease playing politics with the farm problem and act in unison to restore to the farmer his freedom and his rightful place in the Nation's economic picture.

My remarks today, Mr. President, are not in the nature of a proposal, but rather as a form of thinking aloud in the hope of generating interest in and thought toward a solution of the problems of our farmers.

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senate will be in order. Senators who desire to confer will please retire to the cloakroom. The Senate will be in order, so that the Senator from Georgia may be heard.

Mr. TALMADGE. Mr. President, I feel with all my being that this 2d session of the 85th Congress will be shirking its sworn duty if it concludes its work without enacting a bold and realistic new farm program.

Toward that end, Mr. President, I pledge my full cooperation with all those in this body who feel as I do that the solution to our national economic difficulties must begin with a solution to our national farm problems.

Mr. PROXMIRE, and Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and, if so, to whom does he yield?

Mr. TALMADGE. I yield first to the Senator from Wisconsin; then I shall yield to the Senator from Mississippi.

Mr. PROXMIRE. Mr. President, first I should like to commend the distinguished Senator from Georgia on an excellent presentation. His analysis of the farm problem is 100 percent sound with regard to the farmer, with regard to the taxpayer, and with regard to the consumer.

The farm program has been a most unfortunate failure. I agree with the Senator from Georgia wholeheartedly in his objective. I particularly wish to commend him for his sense of urgency. Congress does owe the American people and the American farmer the establishment of a farm program which really works, and a farm program that provides an adequate income for the farmer without excessive cost to the taxpayers.

I am very happy that I have had the opportunity to be on the floor of the Senate during the delivery of the speech by the distinguished junior Senator from Georgia. His suggestion of a compensatory payment program is very constructive, and I believe it is one of the best answers to the farm problem I have ever heard advanced.

I should like to have an opportunity to study the Senator's suggestion in some detail. However, I am very happy, as a new member of the Committee on Agriculture and Forestry, that I shall have an opportunity, I hope, to attend hearings on the Senator's bill. The distinguished junior Senator from Georgia deserves a world of commendation for his proposal.

Mr. TALMADGE. Mr. President, I am deeply grateful to the distinguished junior Senator from Wisconsin for his remarks. I know of his intense interest in all agricultural matters. As one of the junior Members of the Senate, he recently faced the electorate of his State, to a very great extent on the question of agricultural policies, and the result of that election speaks for itself. We

are delighted to have the Senator from Wisconsin as the newest member of the Committee on Agriculture and Forestry. I know that with his knowledge of farm matters, and his demonstrated interest, zeal, and desire to aid the farmers of the country, he will render outstanding service on that committee.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. TALMADGE. I am delighted to yield to the distinguished Senator from Mississippi.

Mr. STENNIS. I, too, wish to compliment and congratulate the Senator from Georgia on what he has said with reference to the need for a farm program, and also to approve what he has said about the equalization-payment system, or the two-allotment system, which would provide an allotment for domestic purposes, with a price support, and for unlimited production, so to speak—for those who might wish to engage in it—for the foreign market, as it may apply to cotton. I believe the Senator from Georgia has proposed one of the soundest and best plans I have ever heard suggested.

I believe that a modification of this plan is something we will have to adopt sooner or later. Of course, it will require further study, which will take some time. It cannot be put into operation overnight. But after being a Member of the Senate for 10 years, and seeing farm programs come and go, and having seen the programs applied to the man who lives on the land—the little fellow, the middle-size farmer, and the larger operators—and considering all of them, I certainly believe that the Senator's plan is a sound plan, and that we should proceed toward full consideration of such a program.

I commend him for his work on the Committee on Agriculture and Forestry. I know, too, that he has a bill on the calendar now which pertains to the immediate situation concerning cotton acreage. It relates to those who make their living by producing that fiber for the people of America, and who are faced with an additional 21 percent reduction in their acreage in 1959. Those people already have taken greater reductions than they can stand. It is absolutely unthinkable that Congress will adjourn without passing some remedial legislation along this line, because cotton is the lifeblood of those farmers.

I commend the Senator from Georgia for what he has done in this great field. His bill, which is now on the calendar, would meet that situation. I am greatly encouraged by his work and activity, and I fully approve the substance of what he has said.

Whatever long-range program is enacted this year, I hope it will apply, as to acreage and price supports, to all producers alike, across the board, rather than create special categories, and privileges among farms.

I commend the Senator again for his excellent work.

Mr. TALMADGE. Mr. President, I sincerely appreciate the remarks of the distinguished junior Senator from Mississippi. There is not other Member of the Senate who has a keener insight into, or a more complete understanding of the farm problems of the Nation. Neither is there anyone who has shown a more sincere desire to help to solve those problems than has the junior Senator from Mississippi. We in the Senate who are interested in farm problems must realize that all farmers stand or fall together. It is with great dismay that I have noted that some Senators are perfectly willing to look after the interests of their own constituents with respect to a particular commodity, but run away when the time comes for them to help all the farmers of the Nation. Either we will stand together on matters of farm legislation and help one another to solve our mutual problems, or else, as one of our patriots said in earlier days, we will hang separately.

I am ready to stand with other Senators in seeking to solve the farm problems not only of my State, but also of those of all the other States of the Union. If all Senators will take a similar attitude, I feel that the farm problem can be solved.

In my opinion, the recession we are now experiencing will not be ended until we make certain that those who till the soil for their living receive a fair share of the national income.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to the distinguished Senator from South Carolina.

Mr. JOHNSTON of South Carolina. First I should like to say that I am very proud indeed that the Senator from Wisconsin [Mr. PROXMIRE] has been named to be a member of the Committee on Agriculture and Forestry. I think he will join with the other members of the committee who wish to do something for the benefit of the farmers of the Nation. Something should be done, not only for the cotton farmers, the tobacco farmers, the corn farmers, and the wheat farmers, but also for the farmers who produce other commodities which are in distress.

If we but look at the farm picture for a few moments, we will see that in each year for the last 4 years the net income of the farmers—and the net income is what counts—has dropped at the rate of \$1 billion a year. When we realize that farm income at its peak was around \$15 billion or \$16 billion a year, and has been dropping so rapidly, we will understand that the farmers of the Nation are in destitute circumstances. The farmer will not continue to remain on the farm under those conditions.

To bear out my statement, it will be found that the farmers of the Nation have been leaving the farms at the rate of approximately 1 million each year for the last few years, and that last year 1,800,000 farmers left the farms. That is an indication of the condition of the farmers.

I join in what the Senator from Georgia has said today. He has been pleading for action in the committee. He also is a member of the Committee on Agriculture and Forestry, and I thank God that he is. I hope that all Senators who are members of the Committee on Agriculture and Forestry will join in doing something to help the farmers of the Nation. If we do not do so, we will continue to have unemployment.

There is another matter which should be noted. When we look at the picture again, we will see that the number of farmers who have left the farms to go to the cities, towns, and villages approximately equals the number of unemployed in the Nation today. Many of those farmers could not find jobs in the cities. But if they found work, what happened? They displaced persons who had employment. That is why unemployment is rampant in the United States today.

We must do something for the farmers. If we do not, the Nation will be wrecked.

I thank the Senator from Georgia for giving me the opportunity to say these few words on a matter concerning which something needs to be done, and in a field in which we need to work so urgently.

Mr. TALMADGE. I am humbly grateful for the kind remarks made by the distinguished senior Senator from South Carolina. For approximately 15 months I have been a member of the Committee on Agriculture and Forestry. The senior Senator from South Carolina is the ranking Democrat on that very important committee. I know of his interest in the farm problems of the Nation, and that he has never failed to assist in the passage of any farm bill which would benefit any group of farmers, whether they lived in South Carolina, Oregon, Wisconsin, Pennsylvania, or any other State. His interest in farm problems is a national interest. He



always considers farm problems in that light, with the realization that what affects the farmers in one section of the Nation is bound to affect them in all sections. He realizes that whatever affects farmers will ultimately affect the people who live in the urban areas.

The Senator from South Carolina commented upon declining farm income. The latest figures were most discouraging. A few years ago farmers and their families constituted approximately 13 percent of the population of the United States. I understand it has now fallen to between 6 and 7 percent, and that the farmers' share of the gross national product is only approximately 3 percent. In other words, the farmers of America today earn less than 50 percent of the per capita income of urban residents.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. TALMADGE. I am happy to yield to the distinguished Senator from Pennsylvania.

Mr. CLARK. I thank my friend from Georgia. I have been very much interested in his remarks. If he will permit me to do so, I wish to give a little background and then to ask him a few questions.

Mr. TALMADGE. I shall be delighted to answer them.

Mr. CLARK. My State, although it is predominantly an urban State, has a very substantial farm population, mostly in the form of small family farmers who are eking out a not too prosperous existence, and who in many instances are forced to seek partial employment elsewhere.

We have, however, also in the Commonwealth of Pennsylvania a very prosperous agricultural interest, quite prosperous tobacco farmers, and a fruits and vegetables industry; in fact, Pennsylvania encompasses the whole spectrum of farming, except that there is not too much farming in the basic crops. Pennsylvania does not raise peanuts, to speak of; we grow a relatively small amount of corn.

Mr. TALMADGE. Tobacco, I believe, is the basic crop of the Senator's State.

Mr. CLARK. Tobacco is as close as we come to the basic crops.

Pennsylvania is prominent in the poultry business and the dairy business, both of them businesses with which I know my good friend from Georgia is very familiar.

Mr. TALMADGE. I happen to be a poultry and dairy farmer myself.

Mr. CLARK. I know the Senator is. Our problem concerning the present farm policy has to do with the increasing cost of feed to our farmers, but without any particular compensation to them from other subsidies. That has resulted in considerable disinterest on the part of the farmers of Pennsylvania in the present system of subsidies, and, indeed, in the whole farm program as administered, frankly, not only by the present administration, but also by its predecessors.

Do I correctly understand the proposition of the Senator from Georgia to be that the present system in effect with respect to wool should be extended to a number of the other major crops?

Mr. TALMADGE. The Senator from Pennsylvania is correct.

Mr. CLARK. That would mean, would it not, that the grain which the farmers in Pennsylvania need, if they are to remain in business, to feed to their cows, chickens, and other livestock, would be available to Pennsylvania farmers at the market price; in other words, the price of the grain would seek its own level?

Mr. TALMADGE. That is correct. All farm commodities would seek their own price level and the Government would pay the difference between that price and 100 percent of parity.

Mr. CLARK. Would not that be a very favorable thing for the farmers of Pennsylvania?

Mr. TALMADGE. Let me say, that I have looked into this matter as thoroughly as possible in the absence of hearings on it. It seems to me that, first, it would save the taxpayers money; second, it would place more income in the pockets of the farmers; and third, it would assure consumers cheaper farm products, or at least farm products would seek their own price level, and the price would then be determined by the law of supply and demand.

Mr. CLARK. I am interested in what the Senator from Georgia has said about consumers. Pennsylvania is to a large extent an urban State. The cost of living is of grave concern to all housewives. Am I not correct in saying that one reason why the cost of living—from the point of view of the housewife—has stayed up, despite the recession, has been the rather substantial improvement in farm-commodity prices, perhaps due to natural disasters, but also perhaps due to the support prices which, as I understand, would be withdrawn, in favor of a subsidy program, if the proposal of the Senator from Georgia were to be enacted into law?

Mr. TALMADGE. Mr. President, it is a fallacy to say that the price of farm commodities is responsible for the high cost of living. At the present time the farmer receives only approximately 39 cents of each food dollar the housewife spends. For instance, the shirt the Senator from Pennsylvania is wearing is made of cotton. Probably it cost the Senator from Pennsylvania approximately \$5.

Mr. CLARK. It did. It is not a very expensive shirt, either.

Mr. TALMADGE. The cotton in that shirt brought the farmer less than 30 cents. So the Senator from Pennsylvania can see that the price of cotton has very little relationship to the cost of the shirt he wears.

Mr. CLARK. The costs which determine the final price to the consumer are largely distribution costs, are they not?

Mr. TALMADGE. Exactly. I may say, further, that the share the farmer receives of each dollar the housewife spends for food has been decreasing during the last few years, and it continues to go down.

To respond further to the Senator from Pennsylvania, let me say that, at the present time, a loaf of bread costs between 15 cents and 20 cents. But the farmer who grows the wheat which is used to make that loaf of bread receives as his share of the 15 or 20 cents for which the bread is sold, approximately 1 or 2 cents. So the ultimate price the housewife pays for the food she buys has, in many instances, very little or no relationship to what the farmer receives for that particular commodity in its raw state.

Mr. CLARK. Then does the Senator from Georgia believe that his bill would not be of much help to the urban consumers?

Mr. TALMADGE. It would be of some help. We should permit the prices of the basic agricultural commodities to seek their own level in accordance with the law of supply and demand. When the farmer's income drops below 100 percent of parity, then—and only then—would the Government make compensatory payments for this particular share of the domestic market.

Mr. CLARK. I thank my friend, the Senator from Georgia, for his lucid explanation.

Let me summarize the matter in this way—in view of what my friend has just said: that although the results of his plan might not drastically decrease the price of farm products to the urban housewife, nevertheless his bill certainly would not increase those prices; and whatever effect the bill would have, would be favorable.

Mr. TALMADGE. It would not increase them, unless the supply of that particular commodity became so scarce that the law of supply and demand would bring about an increase in the price.

Mr. CLARK. I understand. But as compared with the present system, the proposal of the Senator from Georgia would seem to me at first blush to be in the interests of the consumers, as well as the interests of the farmers.

Mr. TALMADGE. It would be in the interest of everyone—the taxpayers, the consumers, and the farmers; and it would permit the farmers to produce, unfettered, not only for domestic consumption, but also for world consumption.

Mr. CLARK. I thank the Senator from Georgia for his explanation. As is apparent, I am not a farmer. But I am interested in the situation in Pennsylvania, and in the relationship of the proposed program to the urban consumer.

I should like to give the proposal more study. However, as I now understand it, it proposes the kind of program to which Members of this body who represent States which have large urban populations and family farms should give careful consideration, as possibly a happy way out of our present farm dilemma.

I thank the Senator from Georgia.

Mr. TALMADGE. I thank the Senator from Pennsylvania. Let me say that I have found him to be a keen student of all national problems, including those of the farmer.

Let me also say that, as I have traveled through the State of Pennsylvania, I have seen there some of the most beautiful and most fertile farms to be found anywhere in the Nation. I wish to commend the Senator from Pennsylvania and the people of his great State on the great ability of the farmers of Pennsylvania and the diversity of the crops they produce so bountifully.

Mr. CLARK. I thank the Senator from Georgia, and I return the compliment.

Mr. YARBOROUGH. Mr. President, will the Senator from Georgia yield to me?

Mr. TALMADGE. I yield.

Mr. YARBOROUGH. Mr. President, I wish to pay tribute to the distinguished Senator from Georgia [Mr. TALMADGE] for the fine contribution he has made today. In his service on the Committee on Agriculture and Forestry he has shown a keen awareness of the problems of agriculture in the United States. He has gained that knowledge from his executive experience as Governor of his State, from his experience as United States Senator, and from being a dirt farmer himself.

I wish to associate myself with the position he has taken and with the remarks he has made—if I may have his permission to do so; and Mr. President, as one who comes from a State in which more acres of land are farmed than in any other State in America, I wish to commend the Senator from Georgia, and to join him in his expressions of sympathy for the plight of American agriculture.

Today only 4 million American families live on farms and ranches—the smallest number of families to live on farms and ranches in this country in 100 years. Although some of the shift to the cities is due to mechanization, that is only one of the causes. Governmental policies have driven millions of Americans from the farms and from the way of life which gave birth to the Declaration of Independence and the Constitution of the United States of America.

I believe we should encourage and pursue governmental policies which will encourage Americans to live on the family-type farms. However, under the integrated type of farm operations now being sponsored by the Department of Agriculture, it has become more and more difficult for farmers who operate family-type farms to earn a living, whereas it is becoming easier and easier for the large farm corporations and companies to own the retail outlets, wholesale houses, process-



ing plants, and the feed lots. In fact, many of the large companies now own everything from the soil where the crops are cultivated, on through the packing houses to the retail outlets. Such a situation of vertical integration in the production and processing of food makes for monopoly in this country.

The Committee on Economic Development, in its December 1957 report, stated that of the 4 million farm families in the United States, 1,225,000 had a gross income of less than \$2,500, and that Committee recommended that, because of their low incomes, those 1,225,000 families be driven off the farms.

They recommended that the 1,225,000 farm families be driven off the farms because of their low income—at a time when the leaders of this country say what we need are toughness and hardness and a spirit of free enterprise and independent initiative. Those people on the small farms are willing to work long hours, as our forefathers did in order to enjoy the freedom of farm life. But we have a Department of Agriculture that says, "Drive them off the farms, if they make such a low income," when these 1,225,000 families are willing to work for that same low income if they can maintain the freedoms which have made this country great.

I want to compliment the junior Senator from Georgia for the concise statements I have heard him make over and over again that agriculture cannot live unsubsidized, in a world in which both industry and labor are subsidized. If everything was free, agriculture could survive better than any other branch of our economy; but, with practically every other branch of our national economy being subsidized, it is idle to expect agriculture to survive unsubsidized.

I want to thank the Senator from Georgia for his clear reasoning, and for the fight he is making and has been making for the family type farm in America.

Mr. TALMADGE. I thank the junior Senator from Texas. I have the honor to sit by him in this body. We have spent many hours discussing the farm problems of this country. I know of no Member of this body who has a more intense interest in solving our farm problems and in seeing that those who till the soil receive a fair share of the national income.

Mr. TALMADGE. Mr. President, I ask unanimous consent that my column of May 7, 1958, requesting farmer reaction, be printed in the RECORD at this point.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

HERMAN TALMADGE REPORTS FROM  
WASHINGTON

Many farmers have urged me to offer a bold new national farm program to rescue this Nation's agricultural economy and, after much study, I have formulated what I consider to be such a program.

It is my conclusion that our farm problems cannot be solved until the Federal Government is removed from the business of buying, storing, and selling agricultural commodities and the responsibility for marketing farm produce is returned to the farmer and private enterprise where it belongs. It is in that light that I propose to let the farmer plant what he wants to plant and sell his crops for the best prices he can get with the Federal Government paying him the difference between the prices he receives for commodities sold for domestic consumption and 100 percent of parity.

My proposed farm program has five points, which are as follows:

1. Eliminate all acreage controls and Government loans.

2. Assign each farmer growing basic commodities a domestic production quota to be

expressed in terms of unit measurements (pounds, bushels, bales, etc.) which would be the same percentage of the national consumption of basic commodities that the farmer's historic acreage base bears to the total national acreage base.

3. Guarantee and pay to each farmer a sales-price support of the difference between the price he receives for his domestic production quota and 100 percent of parity.

4. Require each farmer to submit a bill of sale with his application for sales-price-support payments.

5. Impose a maximum of \$25,000 on the amount of sales-price-support payments which any individual farmer could receive.

Such a program would eliminate red tape, end the accumulation of surpluses, cost the taxpayers less and once more let the farmer be the master of his own destiny. It would give consumers a price break and would serve to put both raw and manufactured farm products back on the world market at competitive prices. Because it is geared to domestic production, it would amount to no more than giving the farmer the same protection which labor gets with the minimum wage and industry with the tariff.

Although it is generally agreed that any new farm plan to be successful must be one which lets the farmer farm and guarantees him his proportionate share of the national income, there is no such consensus as to how those objectives should be achieved. Therefore, in announcing my ideas about what a new farm program ought to embrace, I am asking Georgia farmers to write me what they think about them.

I want to hear from every farmer in Georgia and hope each will drop me a line at the Senate Office Building in Washington. A tabulation of the replies I receive will determine whether I offer legislation to write the Talmadge farm plan into law.

HERMAN E. TALMADGE.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the remarks I made on the Senate floor upon the introduction of the bill be printed in the RECORD at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

AGRICULTURAL INCOME EQUALIZATION ACT OF  
1958

Mr. TALMADGE. Mr. President, I introduce for appropriate reference a bill embodying the new national farm plan which I proposed in a speech before the Senate on April 23, and ask unanimous consent that it may lie on the table for 5 days in order that any Senator desiring to join in sponsoring it may have the opportunity to do so.

The President pro tempore. The bill will be received and appropriately referred and, without objection, the bill will lie on the table as requested by the Senator from Georgia.

Mr. TALMADGE. Mr. President, my bill, entitled the "Agricultural Income Equalization Act of 1958," proposes to free the Nation's economy of abortive farm laws which have brought about the present disastrous agricultural depression, and to restore American agriculture to a free-enterprise basis, bolstered by a system of compensatory payments. Its objectives are to let the farmer farm, to guarantee the farmer his proportionate share of the national income, and to place American agricultural commodities back on the world market at comparative prices.

Under the Talmadge farm plan, the farmer would be permitted to grow as much of any basic commodity as he desires and to sell it as he pleases. It would provide for the payment by the Federal Government to the farmer of the difference between the price he receives and 100 percent of parity on that

portion of his crop which would be consumed in this country.

The reaction of farmers and the general public to my proposal has been overwhelmingly favorable, and I am convinced, after careful study of the matter, that it offers the only ultimate means by which the farm economy of the Nation can be restored.

It is my hope that this bill will prove to be the basis for a new farm program on which all Senators—both those from farm and those from urban States—can agree, in order that desperately needed new farm legislation may be enacted at the earliest possible time.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the bill, S. 3963, be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That this act may be cited as the "Agricultural Income Equalization Act of 1958."

DECLARATION OF POLICY AND PURPOSE

SEC. 2. It is hereby declared to be the policy of Congress to afford to the farmers of the United States legislative protection and assistance equivalent to that received by other segments of the national economy. It is recognized that previous farm legislation has failed to achieve that end, and that a policy of reduced acreage and reduced prices leads only to reducing farm income to a disastrous level. Therefore, it is the purpose of Congress, in enacting the program provided for in this act, to free the Nation's economy of the burdens of abortive farm laws and to restore American agriculture to a free enterprise basis bolstered by a system of compensatory payments. The objectives of Congress in so doing are (1) to let the farmer farm, (2) guarantee the farmer his proportionate share of the national income, and (3) place American agricultural commodities back on the world market at competitive prices.

DOMESTIC CONSUMPTION QUOTA

SEC. 3. The Secretary shall proclaim each year a domestic consumption quota for each basic agricultural commodity. Such basic quota shall be proclaimed in terms of pounds, in the case of tobacco, rice, and peanuts; bushels, in the case of corn, and wheat; and bales, in the case of cotton. The domestic consumption quota for any year for any such commodity shall be the amount of such commodity consumed domestically during the immediate preceding year. Proclamations made by the Secretary pursuant to this section shall be made at such times as he deems appropriate.

ASSIGNMENT AND DETERMINATION OF FARM  
DOMESTIC PRODUCTION QUOTAS

SEC. 4. (a) The Secretary shall assign each year, after the effective date of this act, to every eligible farm on which is produced a basic agricultural commodity a domestic production quota for such commodity. The domestic production quota for any such farm with respect to any such commodity shall be determined by the Secretary in terms of pounds, in the case of tobacco, rice, and peanuts; bushels, in the case of corn and wheat; and bales, in the case of cotton.

(b) Any farm in order to be eligible to receive a domestic production quota for any basic agricultural commodity pursuant to this section must have received an acreage allotment under the Agricultural Adjustment Act of 1938, as amended, for such commodity during the 12 calendar months prior to the enactment of this act.

(c) The domestic production quota for any farm in any year for any basic agricultural commodity shall be an amount of such commodity which bears the same ratio to



the domestic consumption quota (less any portion withheld pursuant to subsection (d)) for such commodity for such year (as proclaimed by the Secretary) as the average production from the acreage allotment for such farm for the 5-year period 1953 to 1958 bears to the average annual production from the national acreage allotment (in the case of tobacco, from the total of all State acreage allotments) for such commodity for such period.

(d) The Secretary shall withhold from the domestic consumption quota, proclaimed pursuant to section 3, in any year for any basic agricultural commodity an amount of such quota not to exceed 2 percent for use in making domestic consumption quotas available to new farms. From any such amount withheld, the Secretary shall make available farm domestic production quotas to farms ineligible for quotas under subsection (b) of this section. The Secretary shall prescribe requirements of eligibility for new farms and shall assign farm domestic production quotas on as equitable a basis as possible.

#### COMPENSATORY PAYMENTS

SEC. 5. (a) Any producer whose farm has been assigned a domestic production quota pursuant to section 4 for any basic agricultural commodity shall receive compensatory payments for such quota as provided in this section.

(b) The Secretary shall pay to any such producer, with respect to any such commodity produced on his farm within such quota, the amount, if any, by which the parity price for such commodity (at the time such commodity is sold by him) exceeds the market price for such commodity (at the time such commodity is sold by him).

(c) No producer shall be paid a compensatory payment except upon presentation by him of a receipt of sale of the commodity produced by him. He may receive compensatory payment upon any portion of his quota for which a receipt of sale is submitted. In no event shall any producer be paid an amount in excess of \$25,000 in compensatory payments for any one year.

(d) Compensatory payments shall be made in such manner and at such times as the Secretary shall prescribe, and receipts of sale required under this section shall be in such form and contain such information as he shall prescribe.

(e) No compensatory payment shall be made to any producer for any basic agricultural commodity sold by him more than 6 months after the end of the marketing year (as defined by the Secretary) for such commodity.

#### APPLICABILITY

SEC. 6. The provisions of this act shall apply to farms in the several States and Territories, and in the District of Columbia and Puerto Rico.

#### PUBLICATION AND NOTICE OF FARM DOMESTIC PRODUCTION QUOTAS

SEC. 7. All domestic production quotas assigned to farms in a county or other local administrative area shall, in accordance with regulations of the Secretary, be made and kept freely available for public inspection in such county or other local administrative area. Notice of the farm domestic production quota assigned to a farm shall be mailed to the owner or operator of such farm.

#### REVIEW OF ASSIGNED QUOTAS

SEC. 8. (a) Any farmer who is dissatisfied with the farm production quota established for his farm may, within 15 days after mailing to him of notice as provided in section 7, have such quota reviewed by a local review committee of three farmers from the same or nearby counties appointed by the Secretary. Unless application for review is made

within such period, the original determination of the farm domestic production quota shall be final.

(b) The members of the review committee shall receive as compensation for their services the same per diem as that received by the members of the committee utilized for the purposes of the Soil Conservation and Domestic Allotment Act, as amended. The members of the review committee shall not be entitled to receive compensation for more than 30 days in any 1 year.

#### INSTITUTION OF PROCEEDINGS

SEC. 9. If the producer is dissatisfied with the determination of the review committee, he may, within 15 days after a notice of such determination is mailed to him by registered mail, file suit against the review board as defendant in the United States district court, or institute proceedings for review in any court of record of the State having general jurisdiction, sitting in the county or the district in which his farm is located, for the purpose of obtaining a review of such determination. Bond shall be given in an amount and with surety satisfaction to the court to secure the United States for the cost of the proceeding. The bill of complaint in such proceeding may be served by delivering a copy thereof to any one of the members of the review committee. Thereupon the review committee shall certify and file in the court a transcript of the record upon which the determination complained of was made, together with its findings of fact.

#### COURT REVIEW

SEC. 10. The review by the court shall be limited to questions of law, and the findings of fact by the review committee, if supported by the evidence, shall be conclusive. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the hearing before the review committee, the court may direct such additional evidence to be taken before the review committee in such manner and upon such terms and conditions as to the court may seem proper. The review committee may modify its findings of fact or its determination by reason of the additional evidence so taken, and it shall file with the court such modified findings or determination, which findings of fact shall be conclusive. At the earliest convenient time, the court, in term time or vacation, shall hear and determine the case upon the original record of the hearing before the review committee, and upon such record as supplemented, if supplemented, by further hearing before the review committee pursuant to direction of the court. The court shall affirm the review committee's determination, or modified determination, if the court determines that the same is in accordance with the law. If the court determines that such determination or modified determination is not in accordance with law, the court shall remand the proceeding to the review committee with direction either to make such determination as the court shall determine to be in accordance with law or to take such further proceedings as, in the court's opinion, the law requires.

#### STAY OF PROCEEDINGS AND EXCLUSIVE JURISDICTION

SEC. 11. The commencement of judicial proceedings under this act shall not, unless specifically ordered by the court, operate as a stay of the review committee's determination. Notwithstanding any other provision of law, the jurisdiction conferred by this act to review the legal validity of a determination made by a review committee pursuant to this act shall be exclusive. No court of the United States or of any State shall have jurisdiction to pass upon the legal validity

of any such determination except in a proceeding under this act.

#### NO EFFECT ON OTHER QUOTAS

SEC. 12. Notwithstanding any increase of any farm as a result of review of the determination thereof under this act, the domestic production quota for other farms shall not be affected.

#### REPEALS; EFFECT ON SOIL BANK ACT

SEC. 13. (a) The Agricultural Adjustment Act of 1938, as amended, and title I of the Agricultural Act of 1949, as amended, are repealed as of the effective date of this act.

(b) The Secretary shall not after the date of the enactment of this act enter into any contract under the provisions of subtitle A of the Soil Bank Act. The provisions of section 114 of such act, relating to compliance with acreage allotments, shall be ineffective after the effective date of this act. Except with respect to compliance with acreage allotment requirements, nothing in this act shall be construed as altering the terms of any contract entered into under the provisions of the Soil Bank Act.

#### RULES AND REGULATIONS

SEC. 14. The Secretary is authorized and directed to issue such rules and regulations as may be necessary to carry out the provisions of this act.

#### UTILIZATION OF LOCAL AND COUNTY COMMITTEES

SEC. 15. In carrying out the provisions of this act, the Secretary may utilize the local and county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended.

#### AUTHORIZATION FOR APPROPRIATIONS

SEC. 16. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

#### EFFECTIVE DATE

SEC. 17. The provisions of this act shall become effective on December 31, 1958, except that the Secretary may by proclamation make such provisions effective with respect to any basic agricultural commodity prior to December 31, 1958, if he finds that such action will effectuate the policy and purpose of this act as declared in section 2. In the event the provisions of this act are made effective with respect to any basic agricultural commodity prior to December 31, 1958, the repeal of the Agricultural Adjustment Act of 1938, as amended, and the repeal of title I of the Agricultural Act of 1949, as amended, under section 13 (a), shall become effective with respect to any such commodity as of the date the Secretary proclaims the provisions of this act effective with respect to such commodity.

#### DEFINITIONS

SEC. 18. As used in this act—

(1) The term "Secretary" shall mean the Secretary of Agriculture;

(2) The term "basic agricultural commodity" shall mean tobacco, corn, cotton, wheat, rice, and peanuts, respectively;

(3) The term "parity price" shall mean parity price as such term was defined in section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, prior to the effective date of this act; and

(4) The term "producer" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, or estate.

Mr. TALMADGE. Mr. President, I ask unanimous consent that a column I wrote for Georgia newspapers of June 11, 1958, explaining the bill, and its reception, be printed at this point in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:



HERMAN TALMADGE REPORTS FROM  
WASHINGTON

The reaction to the new farm program which I proposed in a recent speech before the Senate has been overwhelmingly favorable and, in response to the mandate expressed by the farmers of Georgia, I have introduced legislation embodying my idea.

I received scores of letters from both individual farmers and farm groups and the consensus of them all was that the farmer wants to be free to run his own affairs as he sees fit. Letters from people in other walks of life also generally approved of my plan to restore the farm economy of the Nation by giving the farmer protection equivalent to that received by labor and industry. Particularly encouraging have been the expressions of agreement with my program which have come from various Senators and Congressmen.

The few objections which were voiced stemmed primarily from a misunderstanding of how the program would work and a confusion of it with the so-called Brannan plan and the two-price system.

Basically my idea is to let the farmer grow whatever he pleases and to sell it for whatever price he can get. The Federal Government would then pay the farmer the difference between the price he receives and 100 percent of parity on that portion of his crop which would be consumed in this country.

Such a plan is diametrically opposite to the Brannan plan which would completely regiment the national farm economy by dictating to the farmer how much he could plant, how he should plant it and when and where he could sell it. It differs from the two-price system in that it would allow commodity prices to seek their own level rather than maintaining artificially high prices on the domestic market.

The chances for enactment of any major farm legislation at this session of Congress are not good because of the opposition of President Eisenhower, Secretary of Agriculture Benson, and Republican leaders in Congress. That is true despite the fact the Federal Government already is supporting wool on a similar basis and the administration has recommended that Congress enact an identical program of compensatory payments for producers of lead, copper, zinc, and other minerals.

However, the indicated interest of Democrats in Congress and the demonstrated grassroots support for a farm program along the lines of my suggestion encourage me to believe that it may prove to be the basis for a program around which the members of the badly divided farm bloc can rally to enact desperately needed new farm legislation at the earliest possible time.

Georgia farmers may be assured that I will not relent in my efforts until Congress has measured up to its responsibility to rescue the farm economy of this Nation and to assure the farmers of America their rightful share of the national income.

HERMAN E. TALMADGE.

Mr. TALMADGE. Mr. President, some of the complaints about the bill have been that it would cost too much. Many people who have said they think it is a good bill also have called it too expensive.

I ask unanimous consent, Mr. President, at this point in the RECORD, to have printed a memorandum and explanatory tables prepared by Henry J. Casso, of the Senate Committee on Agriculture and Forestry staff, analyzing the bill and its application.

There being no objection, the memorandum and tables were ordered to be printed in the RECORD, as follows:

MEMORANDUM

Subject: Direct payment plan.

To: Senator TALMADGE.

From: Henry J. Casso.

The attached memorandum was prepared in accordance with a request from your office.

It contains a short written description of the assumptions and the results of the analysis and eight tables prepared by me and a summary of costs prepared by the Department of Agriculture.

The total costs of the program are presented in table I, while the remainder of the tables contain substantiating and clarifying information.

Some information requested by you is unavailable. This refers specifically to an analysis by commodity of the benefits to farmers under the present program, as compared to the benefits under the proposed program. Before such an analysis can be made, it would be necessary to obtain more details with respect to the new program.

If additional help or information is required, I would be most happy to oblige.

ASSUMPTIONS

1. Estimated domestic consumption

It was assumed that the estimated domestic consumption for the several commodities would be that for the most recent years. The actual amounts estimated are given in table I. Corn and wheat present particular problems. Estimated domestic disappearance of wheat in recent years can be contributed almost entirely to wheat for food. Under different conditions a substantial portion of the total production of wheat might be used for feed. In the case of corn almost the entire crop is used for feed. For example, in 1957 out of the total disappearance of about 2.9 billion bushels of corn only about 130 million bushels were used for food.

In the case of peanuts domestic disappearance was estimated at about 1.2 billion pounds per year. This does not include secondary uses of peanuts, such as oils, etc.

The level at which domestic disappearance is estimated is important, for this not only determines relative domestic allotments for support purposes but also determines to a considerable extent the cost of the program.

2. Estimated production per acre

Average per acre yields were used for the purposes of determining the costs of the program. Because of the variation in yields from area to area the average yields may tend to underestimate or overestimate acres required to produce a stated number of units. For example, in the case of cotton, yields varied in 1957 from about 218 pounds of lint per acre in Oklahoma to 1,097 pounds per acre in Arizona. In the case of wheat, yields varied from about 13 bushels per acre in Oklahoma to 37 bushels per acre in Idaho, and yields per acre for peanuts varied from 425 pounds per acre in Mississippi to 2,050 pounds in Virginia. Variation in yields per acre was also found in other crops.

3. Prices

Parity prices used in the determination of the costs of the program were as of December 1957. Costs of the program were estimated at 4 different levels, namely: the difference in price between 90 percent and 75, 65, 55, and 45 percent of parity.

RESULTS OF ANALYSIS

1. Cost

It was estimated that the total direct cost of the program when market prices were at 75 percent of parity would amount to \$1,393,700,000 per year; \$2,327,000,000 when market prices were at 65 percent of parity; \$3,260,000,000 when market prices were at 55 percent of parity, and \$4,213,000,000 when market prices were at 45 percent of parity. These are shown in table I.

The costs involved in supporting corn amount to slightly over one-half the total cost of the program in each case. Cotton was next in importance, costing about \$244 million at the 75-percent level and \$731 million at the 45-percent price level. Wheat cost \$222 million at 75 percent and \$672 million at 45 percent of parity. The cost of supporting rice and peanuts was comparatively small, amounting to about \$24 million at 75 percent and slightly over \$70 million at 45 percent of parity. Tobacco costs varied from \$123 million at 75 percent to \$370.9 million when market prices were at 45 percent of parity.

2. Allotment levels

Table III shows the present national allotment for the several crops, the estimated domestic consumption, average yields per acre, and the estimated acres required to produce the domestic allotment and the difference between the domestic allotment estimated and the present allotment. Substantial reduction in the acreage required to be supported is evident for all crops except corn and tobacco. In the case of tobacco, there is no reduction for burley and about a third reduction for flue-cured.

In the case of corn, allotments would have to be increased by 57 percent in order to provide the estimated domestic consumption. Corn is peculiar in that allotments are provided only in States and counties which have been designated as being in the commercial corn area. A total of 72.7 million acres were planted to corn in 1957 while the national allotment amounted to only about 38 million acres. Total production of corn in 1957 amounted to 3.4 billion bushels which is about a fourth greater than the estimated domestic disappearance. The inclusion of corn in a direct payment program presents problems not found in other crops.

In the case of rice, allotments determined only for estimated domestic disappearance would result in reductions in the amount of supported acreage of about 47 percent from the present allotment, and in the case of wheat about 45 percent, while cotton, peanuts, and flue-cured tobacco allotments would be reduced by 33, 25, and 29 percent, respectively.

3. Costs per acre

Table IV shows payment per acre, or the difference between 90 percent support levels and market prices of 75, 65, 55, and 45 percent of parity levels. Average yields were used in this calculation.

Payments per acre for wheat vary from \$7.40 per acre at the 75 percent market price level to \$22.40 per acre when the market price level is at 45 percent of parity. Payments for corn from \$12.42 to \$37.42; rice from \$26.10 to \$78.60; peanuts from \$19.36 to \$59.05; cotton from \$21.13 to \$63.36; flue-cured tobacco from \$127.71 to \$381.64 and burley tobacco from \$139.20 to \$417.60 per acre.

For comparative purposes, for example, soil bank payments per acre in 1957 averaged \$37.53 for corn, \$50.83 for cotton, \$63.91 for rice, \$18.06 for wheat, \$223.42 for all tobacco, and \$13.54 per acre in 1956 for peanuts.

4. Estimated maximum payments per farm

Table V shows the estimated maximum per farm for maximum production covered by the \$25,000 limitation when market prices are at the indicated present parity level. The table also shows the total number of production units that are covered by the \$25,000 and the estimated acreage required to produce the maximum number of units covered.

With market prices at 75 percent of parity a limit of \$25,000 per farm will result in a cost to the Government of slightly over \$4,000 when a maximum number of units are covered. At 65 percent of parity the cost would be slightly under \$7,000. At 55 percent of



parity the cost would be slightly over \$9,500 and at 45 percent of parity the cost would be between \$12,000 and \$12,500. Information in tables VI, VII, and VIII indicate that only a small percentage of farms would qualify for maximum payments.

In the case of cotton a limit of \$25,000 will cover sales of approximately 144 bales (at 90 percent of parity) which at average yields will be produced on 191 acres. The differential between the support level of 90 percent of parity on the domestic allotment and market price will vary from \$4,032 at 75 percent of the market-price level to \$12,096 at 45 percent of the market-price level.

In the case of rice a limit of \$25,000 will cover sales of approximately 4,770 hundredweight (at 90 percent of parity) which, at average yields, will be produced on 159 acres. The differential between the support level of 90 percent of parity on the domestic allotment and market price will vary from \$4,150 at 75 percent of the market-price level to \$12,497 at 45 percent of the market-price level.

In the case of wheat a limit of \$25,000 will cover sales of approximately 11,111 bushels (at 90 percent of parity) which, at average yields, will be produced on 555 acres. The differential between the support level of 90 percent of parity on the domestic allotment and market price will vary from \$4,111 at 75 percent of the market-price level to \$12,444 at 45 percent of the market-price level.

In the case of corn a limit of \$25,000 will cover sales of approximately 15,337 bushels (at 90 percent of parity) which at average yields will be produced on 333 acres. The differential between the support level of 90 percent of parity on the domestic allotment and market price will vary from \$4,141 at 75 percent of the market price level to \$12,576 at 45 percent of the market price level.

In the case of flue-cured tobacco a limit of \$25,000 will cover sales of approximately 48,638 pounds (at 90 percent of parity) which at average yields will be produced on 33 acres. The differential between the support level of 90 percent of parity on the domestic allotment and market price will vary from \$4,183 at 75 percent of the market price level to \$12,500 at 45 percent of the market price level.

In the case of burley tobacco a limit of \$25,000 will cover sales of approximately 47,893 pounds (at 90 percent of parity) which at average yields will be produced on 30 acres. The differential between the support level of 90 percent of parity on the domestic allotment and market price will vary from \$4,167 at 75 percent of the market price level to \$12,500 at 45 percent of the market price level.

In the case of peanuts a limit of \$25,000 will cover sales of approximately 204,918 pounds (at 90 percent of parity) which at average yields will be produced on 212 acres. The differential between the support level of 90 percent of parity on the domestic allotment and market price will vary from \$4,180 at 75 percent of the market price level to \$12,500 at 45 percent of the market price level.

#### 5. Number and size of farm allotments

Tables VI, VII, and VIII show the number of farms having allotments within certain size groups. For example, in table VI we find that 363,958 farms have corn allotments of between 1 and 5 acres; 1,598 rice farms have allotments of between 1 and 5 acres and 414,882 wheat farms have allotments of between 1 and 5 acres. Table VII shows that 354,862 cotton farms have allotments of between 1 and 5 acres and in table VIII are shown the allotments for flue-cured and burley tobacco and peanuts.

In the case of corn less than 1 percent of the total number of farms would receive full coverage of production with maximum limits of \$25,000 per farm. In the case of rice about 19 percent would receive full coverage and about 1 percent of the wheat farms would be fully covered, while about 3 percent of the cotton and about 1 percent of the peanut farms would have full coverage. Less than 1 percent of the burley and about 2 percent of the flue-cured tobacco farms would be fully covered.

#### COST OF THE PRESENT PROGRAM AND PROPOSED PROGRAM

##### 1. Costs of the present program

The total costs of the present program have increased steadily in recent years. In 1957 total costs of all agricultural programs amounted to about \$3.3 billion, in 1956 \$1.9 billion, in 1955 \$1.4 billion, and in 1954 about \$964 million. These costs cover all agricultural programs including Commodity Credit Corporation loans and purchases, Public Law 480 programs, crop insurance, Soil Bank, and other related programs.

The extent to which a domestic allotment plan would reduce costs of the present program would vary depending upon the length of time required to dispose of present surpluses and the extent to which other related programs would be displaced. No doubt some programs now charged to agriculture would be continued. These include school-milk programs, several donation programs, International Wheat Agreement, National Wool Act program, Sugar Act, and others. Ultimately it is conceivable that the domestic allotment program might cost considerably less than the present program.

A list of the costs of the present program is attached.

#### CASH BENEFITS—PRESENT PROGRAM AND PROPOSED PROGRAM

It is difficult to determine the relative benefits to the average farmer under the two programs. Any estimate would be purely speculative and, hence, subject to misinterpretation. However, using a combination of tables IV, VI, VII, and VIII, it is possible to obtain some idea of the relative benefits under the proposed program. For example, in the case of wheat, 414,882 farms have allotments of 5 acres or less. While the domestic allotment would be only about 55 percent of the present allotment, the farmer would receive 90 percent of parity on this portion and could expand acreage, receiving a lesser price for the wheat produced on the rest of the acreage. On the other hand, farmers cannot expand acreage under the present program and at the present time are receiving 75 percent of parity on the total allotment. Were minimum acreage allotments to be included in the proposed program, small farmers would receive materially higher benefits than under the present program.

#### NONBASICS AND DAIRY PRODUCTS

At the present time some of the nonbasics are supported in the same manner as the basics. These include feed grains, oilseeds, dry edible beans, and others, as well as manufacturing milk and butterfat.

With the exception of dairy products, the costs of supporting the nonbasics has been relatively small. It appears, however, that sorghum grains may become more expensive.

Since corn and other other feed grains, including sorghum grains, are so closely related, any program dealing with one should take into consideration the effects on the others. A direct-payment program for corn and the other feed gains may not be the solution to this problem.

In the case of manufacturing milk and butterfat it appears that the present program, although relatively costly, at this time is serving well. Federal orders have helped to lessen the impact of lower support prices on producers in market areas.

At the present time excess production of milk is about 4 percent a year. In recent years dairy farmers have reduced the total number of milk cows, yet at the same time have increased total production of milk. However, milk production per person per day is declining slowly because of population increases and at the present time is 2.17 pounds per day, or about a quart of milk per day per person. If this trend continues the cost of supporting milk and butterfat under the present program will be substantially lessened in the near future.

TABLE I.—Estimated annual cost to Government with payments to producers based on the difference between a support rate of 90 percent of parity and free market price—Payments made only on a proportionate share of the domestic market requirements

| Commodity    | Estimated domestic disappearance | Estimated total cost to Government when free market price is at indicated percent of parity <sup>1</sup> |            |            |            | Commodity              | Estimated domestic disappearance | Estimated total cost to Government when free market price is at indicated percent of parity <sup>1</sup> |            |            |            |
|--------------|----------------------------------|----------------------------------------------------------------------------------------------------------|------------|------------|------------|------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------|------------|------------|------------|
|              |                                  | 75 percent                                                                                               | 65 percent | 55 percent | 45 percent |                        |                                  | 75 percent                                                                                               | 65 percent | 55 percent | 45 percent |
| Cotton.....  | 8.7 million bales....            | \$243.6                                                                                                  | \$408.9    | \$574.2    | \$730.8    | Tobacco:               |                                  |                                                                                                          |            |            |            |
| Rice.....    | 27 million hundredweight.        | 23.5                                                                                                     | 39.2       | 54.8       | 70.7       | Flue cured.....        | 756 million pounds.              | \$65.0                                                                                                   | \$108.1    | \$151.2    | \$194.3    |
| Wheat.....   | 600 million bushels.             | 222.0                                                                                                    | 372.0      | 522.0      | 672.0      | Burley.....            | 492 million pounds.              | 42.8                                                                                                     | 71.3       | 99.9       | 128.4      |
| Corn.....    | 2.8 billion bushels.             | 756.0                                                                                                    | 1,260.0    | 1,764.0    | 2,296.0    | All other.....         | 275 million pounds.              | 16.1                                                                                                     | 26.8       | 37.5       | 48.2       |
| Peanuts..... | 1.2 billion pounds.              | 24.0                                                                                                     | 40.8       | 56.4       | 73.2       | Total dollar cost..... |                                  | 1,393.0                                                                                                  | 2,327.1    | 3,260.0    | 4,213.6    |

<sup>1</sup> See table II for prices used in determining cost to Government.



TABLE II.—Prices as a percent of parity as of December 1957

| Commodity                             | Percent of parity |        |        |        |        |        | Commodity                         | Percent of parity |       |       |       |       |       |
|---------------------------------------|-------------------|--------|--------|--------|--------|--------|-----------------------------------|-------------------|-------|-------|-------|-------|-------|
|                                       | 100               | 90     | 75     | 65     | 55     | 45     |                                   | 100               | 90    | 75    | 65    | 55    | 45    |
| Cotton (cents per pound).....         | 0.3743            | 0.3369 | 0.2807 | 0.2433 | 0.2059 | 0.1684 | Peanuts (cents per pound).....    | 0.136             | 0.122 | 0.102 | 0.088 | 0.075 | 0.061 |
| Rice (dollars per hundredweight)..... | 5.83              | 5.24   | 4.37   | 3.79   | 3.21   | 2.62   | Tobacco:                          |                   |       |       |       |       |       |
| Wheat (dollars per bushel).....       | 2.50              | 2.25   | 1.88   | 1.63   | 1.38   | 1.13   | Flue-cured (cents per pound)..... | .571              | .514  | .428  | .371  | .314  | .257  |
| Corn (dollars per bushel).....        | 1.81              | 1.63   | 1.36   | 1.18   | 1.00   | .81    | Burley (cents per pound).....     | .580              | .522  | .435  | .377  | .319  | .261  |

TABLE III.—Estimated acres required to produce domestic allotment as compared to present national allotment and differences

| Crop         | Estimated domestic consumption | Estimated average yield per acre | Estimated acres required to produce domestic allotment <sup>1</sup> | Present national allotment | Difference            | Crop            | Estimated domestic consumption | Estimated average yield per acre | Estimated acres required to produce domestic allotment <sup>1</sup> | Present national allotment | Difference             |
|--------------|--------------------------------|----------------------------------|---------------------------------------------------------------------|----------------------------|-----------------------|-----------------|--------------------------------|----------------------------------|---------------------------------------------------------------------|----------------------------|------------------------|
|              |                                |                                  |                                                                     |                            |                       |                 |                                |                                  |                                                                     |                            |                        |
| Cotton.....  | 8.7 million bales.....         | 376 pounds.....                  | Million acres<br>11.6                                               | Million acres<br>17.5      | Million acres<br>—5.9 | Corn.....       | 2,800 million bushels.....     | 46 bushels.....                  | Million acres<br>60.9                                               | Million acres<br>38.8      | Million acres<br>+22.1 |
| Wheat.....   | 600 million bushels.....       | 20 bushels.....                  | 30.0                                                                | 55.0                       | —25.0                 | Tobacco:        |                                |                                  |                                                                     |                            |                        |
| Rice.....    | 27 million hundred-weight..... | 30 hundred-weight.....           | .9                                                                  | 1.7                        | —0.8                  | Flue-cured..... | 756 million pounds.....        | 1,485 pounds.....                | .5                                                                  | .7                         | —0.2                   |
| Peanuts..... | 1,200 million pounds.....      | 968 pounds.....                  | 1.2                                                                 | 1.6                        | —0.4                  | Burley.....     | 492 million pounds.....        | 1,600 pounds.....                | .3                                                                  | .3                         | —0.0                   |

<sup>1</sup> Based on national average yields per acre.TABLE IV.—Computed payment per acre<sup>1</sup> for the basic commodities

| Market price level<br>(as a percent of<br>parity) | Commodity |         |         |         |         |            |          | Market price level<br>(as a percent of<br>parity) | Commodity |         |         |         |         |            |          |
|---------------------------------------------------|-----------|---------|---------|---------|---------|------------|----------|---------------------------------------------------|-----------|---------|---------|---------|---------|------------|----------|
|                                                   | Wheat     | Corn    | Rice    | Peanuts | Cotton  | Tobacco    |          |                                                   | Wheat     | Corn    | Rice    | Peanuts | Cotton  | Tobacco    |          |
|                                                   |           |         |         |         |         | Flue cured | Burley   |                                                   |           |         |         |         |         | Flue cured | Burley   |
| Percent:                                          |           |         |         |         |         |            |          | Percent—Continued                                 |           |         |         |         |         |            |          |
| 90-----                                           |           |         |         |         |         |            |          | 55-----                                           | \$17.40   | \$28.98 | \$60.90 | \$49.50 | \$49.26 | \$297.00   | \$324.80 |
| 75-----                                           | \$7.40    | \$12.42 | \$26.10 | \$19.36 | \$21.13 | \$127.71   | \$139.20 | 45-----                                           | 22.40     | 37.72   | 78.60   | 59.05   | 63.36   | 381.64     | 417.60   |
| 65-----                                           | 12.40     | 20.70   | 43.50   | 32.91   | 35.19   | 212.35     | 232.00   |                                                   |           |         |         |         |         |            |          |

<sup>1</sup> Computed by multiplying the average yields per acre by the difference between the support level (90 percent of parity) and the market price level.

TABLE V

| Commodity   | When market prices<br>are at—    |                                                           | A limit of \$25,000 will cover<br>sales of—                                                                                               |                                                                                                        |                                                                          | Commodity                   | When market prices<br>are at—        |                                                           | A limit of \$25,000 will cover<br>sales of—                                                                                               |                                                                                                        |                                                                          |
|-------------|----------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------|--------------------------------------|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
|             | which                            |                                                           | which                                                                                                                                     | and                                                                                                    | which                                                                    |                             | which                                | and                                                       |                                                                                                                                           |                                                                                                        |                                                                          |
|             | this dollar<br>level             | is the per-<br>cent of<br>parity as<br>indicated<br>below | the approx-<br>imate<br>quantity<br>indicated<br>below<br>(computed<br>on the basis<br>of price<br>supports at<br>90 percent<br>of parity | at average<br>yields will<br>be produced<br>on approxi-<br>mately the<br>indicated<br>acreage<br>below | provide<br>maximum<br>payments<br>per farm<br>as indi-<br>cated<br>below |                             | this dollar<br>level                 | is the per-<br>cent of<br>parity as<br>indicated<br>below | the approx-<br>imate<br>quantity<br>indicated<br>below<br>(computed<br>on the basis<br>of price<br>supports at<br>90 percent<br>of parity | at average<br>yields will<br>be produced<br>on approxi-<br>mately the<br>indicated<br>acreage<br>below | provide<br>maximum<br>payments<br>per farm<br>as indi-<br>cated<br>below |
| Cotton..... | .2807<br>.2433<br>.2059<br>.1684 | 75<br>65<br>55<br>45                                      | Bales<br>144                                                                                                                              | 191                                                                                                    | {<br>{<br>{<br>{<br>\$4,632<br>6,768<br>9,504<br>12,096                  | Tobacco:<br>Flue-cured..... | .428<br>.371<br>.314                 | 75<br>65<br>55                                            | Pounds<br>48,638                                                                                                                          | 33                                                                                                     | {<br>{<br>{<br>\$4,183<br>6,955<br>9,728                                 |
| Rice.....   | 4.37<br>3.79<br>3.21<br>2.62     | 75<br>65<br>55<br>45                                      | Hundred-<br>weight<br>4,770                                                                                                               | 159                                                                                                    | {<br>{<br>{<br>{<br>4,150<br>6,916<br>9,683<br>12,497                    | Burley.....                 | .257<br>.435<br>.377<br>.319<br>.261 | 45<br>75<br>65<br>55<br>45                                | 47,893                                                                                                                                    | 30                                                                                                     | {<br>{<br>{<br>{<br>12,500<br>4,167<br>6,944<br>9,722<br>12,500          |
| Wheat.....  | 1.88<br>1.63<br>1.38<br>1.13     | 75<br>65<br>55<br>45                                      | Bushels<br>11,111                                                                                                                         | 555                                                                                                    | {<br>{<br>{<br>{<br>4,111<br>6,888<br>9,666<br>12,444                    | Peanuts.....                | .102<br>.088<br>.075<br>.061         | 75<br>65<br>55<br>45                                      | 204,918                                                                                                                                   | 212                                                                                                    | {<br>{<br>{<br>{<br>4,180<br>6,967<br>9,631<br>12,500                    |
| Corn.....   | 1.38<br>1.18<br>1.00<br>.81      | 75<br>65<br>55<br>45                                      | 15,337                                                                                                                                    | 333                                                                                                    | {<br>{<br>{<br>{<br>4,141<br>6,902<br>9,662<br>12,576                    |                             |                                      |                                                           |                                                                                                                                           |                                                                                                        |                                                                          |

May 19, 1958.



TABLE VI.—Corn, rice, and wheat—Distribution of farm allotments by size, 1957

| Number of acres     | Number of farms |        |           |
|---------------------|-----------------|--------|-----------|
|                     | Corn            | Rice   | Wheat     |
| 1 to 5.....         | 363,933         | 1,598  | 414,882   |
| 6 to 15.....        | 504,999         | 2,870  | 403,830   |
| 16 to 50.....       | 683,579         | 4,572  | 306,876   |
| 51 to 100.....      | 119,251         | 3,057  | 121,157   |
| 101 to 200.....     | 15,209          | 2,547  | 82,967    |
| 201 to 300.....     | 1,334           | 995    | 29,247    |
| 301 to 400.....     | 308             | 416    | 12,941    |
| 401 to 500.....     | 106             | 192    | 6,244     |
| 501 to 1,000.....   | 104             | 294    | 7,560     |
| 1,000 and over..... | 23              | 118    | 1,415     |
| Total farms.....    | 1,748,871       | 16,689 | 1,391,519 |

TABLE VII.—Cotton: Distribution of farm allotments by size, 1957

| Number of acres:    | Number of farms |              |
|---------------------|-----------------|--------------|
|                     | 0 to 5.....     | 5 to 15..... |
| 0 to 5.....         | 354,862         | 337,421      |
| 5 to 15.....        | 126,830         | 55,808       |
| 15 to 30.....       | 46,919          | 25,045       |
| 30 to 50.....       | 1,008           | 170          |
| 50 to 100.....      | 948,063         |              |
| 100 to 500.....     |                 |              |
| 500 to 1,000.....   |                 |              |
| 1,000 and over..... |                 |              |
| Total farms.....    |                 |              |

TABLE VIII.—Peanuts and tobacco—Distribution of farm allotments by size, 1957

| Number of acres      | To tobacco |         |         |
|----------------------|------------|---------|---------|
|                      | Flue-cured | Burley  | Peanuts |
| 0 to 5.....          | 176,189    | 295,653 | 39,699  |
| 5.01 to 10.....      | 25,370     | 4,105   | 31,449  |
| 10.01 to 20.....     | 7,336      | 659     | 26,383  |
| 20.01 to 50.....     | 1,911      | 203     | 16,394  |
| 50.01 to 100.....    | 227        | 14      | 3,542   |
| 100.01 and over..... | 40         | 2       | 1,142   |
| Total farms.....     | 211,073    | 300,936 | 118,609 |

Realized cost of programs primarily for stabilization of farm prices and income, fiscal years 1932-57

[The basis for the costs reflected in this table is as follows: (1) For activities financed from appropriated funds, the expenditures less receipts arising from the activities so financed; and (2) for Commodity Credit Corporation and Federal Crop Insurance Corporation corporate funds, the net gains or losses from operations and the interest cost to Treasury on Government-subscribed capital. Interest cost to Treasury on Government-subscribed capital of corporations has been computed on the basis of the average rate incurred by Treasury on the public debt in each of these years.]

[Millions of dollars]

|                                                                                                                                             | Total    | 1932-36 | 1937  | 1938  | 1939  | 1940  | 1941  | 1942  | 1943  | 1944  | 1945  | 1946  | 1947   | 1948  | 1949  | 1950  | 1951  | 1952  | 1953  | 1954  | 1955    | 1956    | 1957    |
|---------------------------------------------------------------------------------------------------------------------------------------------|----------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|---------|---------|---------|
| Programs primarily for stabilization of farm prices and income:                                                                             |          |         |       |       |       |       |       |       |       |       |       |       |        |       |       |       |       |       |       |       |         |         |         |
| CCC nonrecourse loans, purchase, and payment programs.....                                                                                  | 4,693.0  | 8.7     | 5.3   | 0.4   | 4.6   | 7.4   | 34.0  | 169.1 | 149.9 | 15.9  | 29.4  | 130.1 | 71.9   | 125.4 | 254.7 | 249.2 | 345.6 | 67.4  | 61.1  | 419.5 | 799.1   | 974.8   | 1,299.5 |
| CCC supply, commodity export, and other activities.....                                                                                     | 15.4     |         |       |       |       |       |       |       |       |       |       |       |        |       |       |       |       |       |       |       |         |         |         |
| CCC administrative and other general costs.....                                                                                             | 991.9    | 10.2    | 3.9   | 2.1   | 13.0  | 8.7   | 2.2   | 1.1   | 2.0   | 12.4  | 5.8   | 135.9 | 1242.7 | 138.4 | 14.7  | 12.7  | 1.6   | 1.3   | 6.4   | 66.0  | 50.1    | 70.0    | 149.1   |
| National Wool Act program.....                                                                                                              | 63.5     |         |       |       |       |       |       | 19.6  | 12.1  | 10.4  | 26.1  | 33.2  | 13.9   | 16.5  | 15.9  | 48.1  | 42.0  | 34.6  | 55.3  | 102.7 | 81.9    | 195.5   | 312.2   |
| International Wheat Agreement <sup>2</sup> .....                                                                                            | 899.2    |         |       |       |       |       |       |       |       |       |       |       |        |       |       |       |       |       |       |       | 2.0     | 61.3    | 61.3    |
| Donations of commodities to other nations <sup>2</sup> .....                                                                                | 384.3    |         |       |       |       |       |       |       |       |       |       |       |        |       |       |       |       |       |       |       | 99.7    | 92.3    | 90.1    |
| Commodities sold for foreign currencies under title I, Public Law 480 <sup>3</sup> .....                                                    | 931.6    |         |       |       |       |       |       |       |       |       |       |       |        |       |       |       |       |       |       |       | 91.4    | 93.6    | 124.9   |
| Development of foreign agricultural markets under title I, Public Law 480 <sup>3</sup> .....                                                | 2.6      |         |       |       |       |       |       |       |       |       |       |       |        |       |       |       |       |       |       |       | 129.5   | 304.9   | 497.2   |
| Removal of surplus agricultural commodities <sup>4</sup> .....                                                                              | 2,154.3  | 32.2    | 35.2  | 35.2  | 211.6 | 143.9 | 226.1 | 196.3 | 112.0 | 63.4  | 24.9  | 10.2  | 78.4   | 51.2  | 75.6  | 96.6  | 46.0  | 37.5  | 82.3  | 177.6 | 58.9    | 179.1   | 171.1   |
| Sugar Act.....                                                                                                                              | 1,375.6  |         |       |       | 16.5  | 125.2 | 130.6 | 133.0 | 1.8   | 122.5 | 133.1 | 15.4  | 17.8   | 113.1 | 123.9 | 114.7 | 114.9 | 21.8  | 120.5 | 111.9 | 113.0   | 122.3   | 126.0   |
| Federal crop insurance.....                                                                                                                 | 203.7    |         |       |       | 4.4   | 7.7   | 9.8   | 14.8  | 14.6  | 18.1  | 2.9   | 21.5  | 36.9   | 11.8  | 1.4   | 9.6   | 4.6   | 8.7   | 6.4   | 9.9   | 11.2    | 11.6    | 13.2    |
| Soil Bank (acreage reserve program).....                                                                                                    | 518.3    |         |       |       |       |       |       |       |       |       |       |       |        |       |       |       |       |       |       |       |         | 3.6     | 514.7   |
| Acreage allotment payments under the agricultural conservation program.....                                                                 | 2,354.8  |         |       |       | 350.7 | 380.2 | 326.7 | 332.5 | 218.1 | 193.1 |       | 22.5  |        |       |       |       |       |       |       |       |         |         |         |
| Other, including Agricultural Adjustment Act of 1933, parity payments, and other adjustment and surplus removal programs <sup>5</sup> ..... | 2,260.1  | 921.7   | 84.4  | .3    | 27.6  | 223.8 | 195.7 | 202.1 | 203.7 | 156.9 | 16.1  | 11.5  | 12.2   |       | 10.8  | 24.9  | 18.8  | 7.1   | 7.6   | 67.1  | 40.9    | 30.4    | 46.1    |
| Total.....                                                                                                                                  | 15,003.1 | 972.8   | 442.4 | 228.2 | 589.4 | 746.5 | 764.5 | 633.9 | 511.8 | 401.1 | 49.9  | 23.5  | 151.6  | 116.8 | 328.0 | 486.6 | 624.1 | 306.1 | 329.4 | 964.3 | 1,349.9 | 1,936.1 | 3,255.4 |

<sup>1</sup> Excess of credits, deduct.

<sup>2</sup> These programs are essentially international in nature, and are included in this classification with the kinds of items to which they most nearly relate.

<sup>3</sup> The expenditures under this program are for payment of the difference between the price specified in the International Wheat Agreement and the domestic price of wheat.

<sup>4</sup> Represents the net realized cost of commodities shipped to foreign countries in accordance with the provisions of the Agricultural Trade Development and Assistance Act (Public Law 480, 83d Cong., as amended). The total cost for fiscal year 1957 was \$1,306,373,493, representing (1) the excess of the investment in CCC-owned commodities shipped over the export sales value, \$366,222,971; (2) the cost of financing exportation, \$995,750,740 (primarily cost of commodities shipped from private stocks and ocean transportation); and (3) interest of \$34,399,782. The total cost is reduced by a credit of \$899,161,759 for foreign currencies collected under this program in fiscal year 1957, resulting in a net realized cost of \$497,211,734. The credit consists of the United States dollar proceeds (\$64,786,869) from sales of foreign currencies at rates of exchange current at time of sale of such currencies, and the United States dollar equivalent of (1) foreign currencies used for the purposes authorized by sec. 104 of the act (\$120,889,540), valued at loan-agreement rates for loan disbursements, and for other disbursements, at the rate current when disbursed; and (2) foreign currency balances on hand at June 30, 1957 (\$924,447,276), valued at the Treasury selling rate at that date, less foreign currency balances on hand at June 30, 1956 (\$210,961,926), valued at the Treasury selling rate as of June 30, 1956.

<sup>5</sup> Represents the expenditure of foreign currencies, expressed in United States dollar equivalent at rates of exchange current at time of disbursement, for developing new foreign markets for United States agricultural commodities, as authorized in sec. 104 (a) of Public Law 480, 83d Cong., as amended.

payments to schools for part of their school-lunch program expenditures during fiscal years 1943 to 1949, inclusive. Includes (1) acreage allotments and marketing quotas program; (2) parity payments; (3) Agricultural Adjustment Act of 1933 and related acts; (4) Agricultural Marketing Act revolving fund, and payments to stabilization corporations for losses incurred; and (5) miscellaneous, including 5 miscellaneous programs as follows: (a) Distribution costs on CCC stocks and bays for emergency feed program, (b) net operating results of the Federal Surplus Commodities Corporation which operated from 1935 to 1942 for the purpose of purchasing, processing, storing, handling, transporting, and disposing of surplus agricultural commodities and products for relief; (c) removal of hay and pasture seeds to Federal land-administering agencies. The amount of \$921,700,000 shown for the period 1932 to 1936 represents \$378,600,000 for costs of programs conducted by the Federal Farm Board in the years 1932 to 1934, and \$543,100,000 for costs of the Agricultural Adjustment Act of 1933 and related acts.



Mr. TALMADGE. I ask unanimous consent, Mr. President, that an article by the Alabama Commissioner of Agriculture and Industries, Hon. A. W. Todd, from the July 1, 1958, issue of the Alabama Farmers' Bulletin, be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### NEW COTTON FARM BILL INTRODUCED

Senator HERMAN TALMADGE, of Georgia, and Representative WILLIAM COLMER, of Mississippi, introduced a bill in Congress a few days ago that would open up the cotton fields in Alabama again. The new farm bill has received scores of endorsements both from individual farmers and farm groups and the consensus of them all today is that it is a step in the right direction—that the farmer again wants to be free to run his own affairs as he sees fit. It is evidenced by the farm situation in our State and other cotton States today that to restore the farm economy of the Southeast, it will take some type of cotton legislation that will let the farmers again till the soil. It is necessary that we have farm legislation if we are going to give the farmers the same protection equivalent to that received by labor and industry.

Basically, the idea of the bill is to let the farmer grow whatever he pleases and sell for whatever price he can get and then the Federal Government would pay the farmer the difference between the price he receives and 100 percent parity on that portion of the crop that would be sold and consumed in this country. Such a plan is decidedly opposite to the Brannan plan which would completely regiment the national farm economy by dictating to the farmer how much he could plant, how he should plant it and when and where he could sell it. It differs from the two price system in that it would allow commodity prices to seek their own level rather than maintaining artificially high prices on the domestic market. The artificial prices on the domestic market are today forcing many textile mills to close in America.

The Talmadge-Colmer type farm program is working excellently for the sugar beet and cane farmers and wool growers. Some of the most successful agricultural operations in this country are those growing sugar beets in the west and those growing cane in Louisiana, as well as a tremendous number of ranches in the northwest producing wool under the same program and they like this program so well that the farmer himself is consistently lobbying with Benson for approval of continuation of production payment program in that industry.

After serving as Commissioner of Agriculture and Industries for 3½ years and seeing the farmer's plight continually worsened, it is more evident than ever before with 100,000 farm people seeking employment, that we must put the cotton industry back into a free enterprise system as much as possible.

When we compare the cotton industry today with the broiler industry, the beef cattle industry, the swine industry, and the dairy industry, there is no comparison. If we were allowed to grow cotton, without limitation, as is the broiler, beef cattle, swine, and dairy industries, Alabama farm income would be \$200 million above the present farm income. The allocation of acreage has put the small farmer in a terrific squeeze in America. In fact today, over one-half the farmers in the United States produce only 9 percent of the farm produce and this has all come about in the last few years. Too many farm families in our State have incomes of less than \$1,000 per year.

The main purpose to be remembered in all farm legislation is to help people on the

lowest level of income—to help boys and girls and young people to have and receive the great opportunities which America has to offer.

Yours very truly,

A. W. TODD,  
Commissioner of Agriculture and Industries.

Mr. TALMADGE. I ask unanimous consent, Mr. President, that an article from the July 8, 1958, issue of the Atlanta Journal stating the endorsement of the proposed legislation by the Georgia Commissioner of Agriculture, Hon. Phil Campbell, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### CAMPBELL ENDORSES TALMADGE FARM BILL— WOULD PUT FARMERS BACK IN FARMING BUSINESS, HE TELLS SEEDSMEN HERE

Georgia Commissioner of Agriculture Phil Campbell has strongly endorsed Senator HERMAN TALMADGE's proposed farm bill, saying it is "the only salvation we've got."

"The bill would put the farmers back in the farming business," Mr. Campbell said. "It would give us our world markets back," he added.

Mr. Campbell spoke at the final session of the Georgia Seedsmen's Association convention Monday. Some 250 seedsmen from all over Georgia were in Atlanta for their 18th annual conclave.

Senator TALMADGE's proposed two-price program would guarantee the farmer 100 percent of parity for his basic commodities that are consumed in the United States, Mr. Campbell said. The agriculture commissioner further explained that the farmer could then produce as much more as he wants for the world market. The bill would do away with acreage allotments and substitute unit measure allotments, he said.

Commissioner Campbell predicted passage of the bill, now pending in Congress. He also said the proposal is "the only permanent program you can have that won't need amending every year and that is fair to everyone."

Mr. Campbell attacked present farm policies as unfair to the farmer. "The American farmer," he said, "for some 10 or 20 years now has been used as a pawn in international politics."

When hard times come, the commissioner said, farmers can hold out longer than those first hurt by his adversity. Factory workers, then businessmen go out of business before the farmer, he said, who can hold out for another 5 or 10 years.

"A lot of factory workers go on relief," he said, "when farmers stop buying consumer and production goods."

And, Mr. Campbell said, "farmers know how to tighten up that belt better than anybody." They're used to it, he added.

Mr. TALMADGE. I ask unanimous consent, Mr. President, that the letter of May 6, 1958, from John P. Duncan, Jr., president of the Georgia Farm Bureau Federation, to the Chairman of the Senate Committee on Agriculture and Forestry endorsing the bill be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GEORGIA FARM BUREAU FEDERATION,  
Macon, Ga., May 6, 1958.  
Hon. ALLEN J. ELLENDER,  
United States Senate,  
Washington, D. C.

DEAR SENATOR ELLENDER: This is to acknowledge your letter of April 29 concerning legislation advocated by the American Farm

Bureau Federation dealing in cotton and feed grains. We in Georgia are very concerned about the cotton situation and realize that something must be done to make cotton more competitive with synthetics, but at the same time assure our farmers of their fair share of the national income. We are aware that several cotton bills have been introduced in Congress and several other plans have been talked about.

We in Georgia feel that since other segments of our economy receive subsidies from the Government, that the farmer cannot live under a free enterprise system without being subsidized to some extent. We also feel that if subsidies were taken off everything and a free enterprise system did exist, the farmer with his determination and will to work, would certainly receive his fair share.

We think very much of the speech that our junior Senator from Georgia made in the Senate the other day relative to a new farm program. We wholeheartedly endorse his idea of a farm program that would: (1) Let the farmer farm; (2) give the farmer his fair share of the national income; (3) put private buyers back into the cotton business and eliminate the Government from being in the farming business as much as possible.

We also are very much interested in Senator TALMADGE's bill that would keep cotton allotments in the State and also in a particular county if any acreage is released. Since the acreage reserve part of the Soil Bank will not be in force next year, many of our farmers who have not grown cotton in the last 2 years and who have put their cotton in the Soil Bank will not want to grow cotton any more. By having this cotton available for reallocation, we will be able to maintain the cotton allotments in the counties.

I certainly hope the Members of Congress will be able to get together on a farm bill and that it will be a bill for the farmer rather than those special interests that seem to want to dictate the vital points of a farm bill but who do not have the farmer's interest at heart.

We appreciate very much the fine work you have done as chairman of the Agriculture Committee. The farmers of Georgia feel that in you they indeed have a friend and appreciate your leadership as chairman of the Senate Agriculture Committee. I personally appreciate your writing me for my views and hope that you will continue to do so whenever you wish.

Sincerely yours,

JOHN P. DUNCAN, Jr.,  
President.

Mr. TALMADGE. I ask unanimous consent, Mr. President, that the report of the Alabama Legislative Cotton Study Committee be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

#### REPORT OF THE ALABAMA LEGISLATIVE COTTON STUDY COMMITTEE TO THE CONGRESS OF THE UNITED STATES OF AMERICA

In 1957 the Alabama State Legislature took recognition of the growing dissatisfaction of the people engaged in the production, marketing and processing of cotton. The legislature felt that this dissatisfaction in our State had reached such a peak as to justify creating a special committee to study the cotton industry in all of its aspects. Therefore, the Alabama Legislative Cotton Study Committee was officially selected by the members of both houses of the legislature from their respective congressional districts assembled in caucus to elect the members thereof, established pursuant to Joint Resolution No. 107, in regular session of the 1957 legislature.

This committee has held hearings in each congressional district in Alabama, and the



testimony of over 1,500 witnesses has revealed that the cotton industry is sick.

The committee has heard from tenants, landowners, ginnors, crushers, cotton merchants, textile executives, implement dealers, bankers, professional agriculturists, and legislators. The testimony of these people leads this committee to believe that the laws passed in Congress affecting cotton have more importance than the activities inside the boundary fences of farms.

Excerpts from the testimony of some of the more than 1,500 witnesses testifying before our committee is incorporated at the end of this report and is made a part hereof, indicative, if not a summation, of all of the testimony taken before this committee. It establishes beyond contradiction that acreage reductions, reduced prices and rising costs have reduced the farm income to a disaster level. Tenant farmers have been driven onto the welfare rolls, the income of landowners has been drastically reduced, hundreds of gins have been closed, activities of implement dealers substantially curtailed, cotton seed oil mills idled and vacated, small businesses closed, and the independent cotton merchant driven out of business. It is the opinion of this committee that all of these conditions exist primarily as a result of the inequities of the present cotton laws.

As evidenced by the testimony incorporated in this report, the people involved in the cotton industry feel that the solution to the cotton crisis lies in the adoption by Congress of a bold new cotton program, that such a program, if it is to be successful, must:

First, let the farmer farm; second, guarantee the farmer his proportionate share of the national income; third, place American cotton back on the world market at competitive prices; fourth, establish a research program which would have as its objective the creation of new uses and new markets for cotton, the eradication of the boll weevil, and the improvement of the quality of cotton.

#### LET THE FARMER FARM

It is the opinion of this committee that the primary objective of any farm act should be to aid the farmer. We feel that the testimony of the hundreds of farmers appearing before this committee establishes beyond any doubt that the farmer wants more freedom of choice in the management of his farm. Almost without exception the farmer feels that if he is to remain in the business of growing cotton he must be given the opportunity to increase his volume. He cannot visualize an increase in yield within the foreseeable future to the extent that it would in any substantial degree meet his present needs. Therefore, he asks for additional acreage. He feels that the choice of whether or not to produce cotton in any particular year should lie solely with the farmer himself and that he should not be penalized by law for whichever choice he might make. He is thoroughly disgusted with the measuring of cotton acreage, penalties for overplanting, loss of acreage for underplanting, and plowing up cotton for which he has spent his hard-earned money in preparing the soil and putting the seed in the ground. In essence, the farmer has reached the point where he would like to see as little Government intervention as is possible. This committee feels that there can never be a program of acreage allotments that could take into consideration the varying needs of America's individual families. We feel, as do our farmers, that the individual farmer is the proper person to decide how much cotton he will have to produce in order to provide for him and his family. This leads us to the conclusion that acreage allotments, as we know them today, should be abolished.

#### GUARANTEE THE FARMER HIS PROPORTIONATE SHARE OF THE NATIONAL INCOME

The witnesses appearing before the committee expressed the feeling that agricul-

ture can only be placed on a completely free enterprise system if and when all other segments of the economy have been done likewise. It is the opinion of this committee, based on the testimony taken by it, that so long as labor is given subsidies in the nature of minimum wage laws, and so long as wages remain high as a result of the bargaining power of organized labor, and so long as prices of the products that a farmer has to buy reflect the subsidized high wage scale, and so long as the business and industrial elements receive protection by virtue of protective tariffs and various high tax writeoff measures that the American farmer should also be guaranteed a fair share of the national income.

#### PLACE AMERICAN COTTON BACK ON THE WORLD MARKET AT COMPETITIVE PRICES

Witness after witness before hearings conducted by our committee expressed the feeling that one of the hardships created under the present law came about because American cotton was not allowed to maintain a competitive position with foreign cotton. Some witnesses expressed the opinion that the creation of vast holdings in foreign countries by American capital was made possible under the present cotton law, and no witness before our committee expressed the feeling that this noncompetitive position of American cotton should be maintained. It is the feeling of those testifying before this committee that American cotton should be made competitive at the market place on both the domestic and foreign markets.

#### RESEARCH AND DEVELOPMENT

Witnesses appearing before our committee were almost unanimous in their desire to see Congress in cooperation with the cotton industry, give top priority to an expanded, continuous and comprehensive research program. Research is the medicine that will go far toward restoring cotton to a full state of health. Cotton must be made a test-tube fiber for the discovery of new uses. Compared to the yearly expenditure by the manmade fiber industry the cotton industry provides next to nothing for research. The synthetics are not the only enemy blighting the future of the cotton industry. Standing as an ever-present threat to the retention of American cotton markets is foreign cotton, which is sometimes produced in better quality and always at lower cost than the American product.

Therefore, research must be two-pronged. First must come research with the objective of finding ever-increasing ways to use the natural fiber. Secondly, there must come research into possibilities of getting more cotton at a lower production cost. With research carried on fully and continuously the domestic market for American cotton could be 18 million bales annually rather than 8 million bales. The committee feels that without a continuous, aggressive research program, financed at least partially by the Federal Government, that the cotton industry as we know it today in the United States is surely doomed to oblivion.

#### ERADICATION OF THE BOLL WEEVIL

Any industry that needlessly loses \$351 million during any single year has been badly hurt, but it falls into the class of an ignorant calamity if this loss continues year after year and little is done about it.

That is the situation as it stands in the cotton industry throughout the United States. The boll weevil damage alone in 1957 was \$351 million.

Any private corporation losing this much money in 1 year would go to work immediately to correct the situation and not let it continue year after year as has been done in the cotton industry. The individual cotton farmer does not have the resources to take on a project of much-needed research that would stop the boll weevil's annual damage to the Nation's

economy. Someone else has to do it. The Federal Government is the answer. This committee feels that an adequate appropriation for research to this end will finally bring about the eradication of the boll weevil.

#### RESOLUTION MAKING RECOMMENDATION TO THE CONGRESS OF THE UNITED STATES

"Whereas this committee has been officially selected by the members of both houses of the legislature from their respective congressional districts assembled in caucus to elect the members of the Alabama Legislative Cotton Study Committee, established pursuant to Joint Resolution No. 107; and

"Whereas this committee has been charged with the task of studying the problems of the cotton industry in all of its aspects in the State of Alabama; and

"Whereas this committee has been charged with the responsibility of making recommendations to the Congress of the United States in behalf of the States of Alabama; and

"Whereas this committee sincerely believes hearings in all of the congressional districts of the State of Alabama; and

"Whereas more than 1,500 persons have made their views and wishes known to this committee; and

"Whereas this committee sincerely believes that it speaks the wishes of the Alabama farmer and every segment of the cotton industry: Now, therefore, be it

*Resolved by the Alabama Legislative Cotton Study Committee, sitting in executive session in Montgomery, Ala., on this the 26th day of June 1958, as follows:*

"1. That Congress should enact a program that would eliminate all acreage controls and Government loans. (During the initial transition period it might be found necessary to issue nonsupported export quotas as well as supported domestic quotas to each individual farm.) A substantial minimum domestic quota would go far toward solving the immediate problems of the small farmer.

"2. Assign each farm growing cotton a domestic production quota to be expressed in terms of pounds of lint cotton which would be the same percentage of the national consumption of cotton that the farmer's historic acreage base bears to the total national acreage base.

"3. Guarantee and pay to each farmer a sales price support of the difference between the average market price and 100 percent of parity on his domestic production quota.

"4. Require that each farmer submit an authentication of sale with his application for sales price support payment.

"5. Impose a maximum of \$25,000 on the amount of sales price support payments which any individual farmer could receive.

"6. Provide for the transfer of domestic quotas within the counties so that an individual farm's domestic quota may be negotiable.

"7. Require that future acreage allotments, if reestablished, cannot be based in whole or in part upon acreage planted to cotton during the tenure of this act.

"8. Establish an immediate and long-range research program as may be necessary to insure the continued present per capita consumption of cotton in the United States.

"9. Establish a fund for the control and eradication of the boll weevil and other insects detrimental to the economic production of cotton in the United States, which fund shall not be less than \$1 million a year, and shall be administered through existing agencies or through the creation of a new agency for this specific purpose at the discretion of the Congress.

"10. That any and all future cotton legislation incorporate the retention of the parity principle.

"11. That any and all future cotton legislation incorporate the right of a farmer to transfer allotments or quotas in a negotiable manner within the county."



The undersigned members of the Alabama Legislative Cotton Study Committee hereby approve the foregoing report and adopt the resolution contained therein.

Representative BOB GILCHRIST, Chairman; Representative ROBERT G. KENDALL, Jr., Vice Chairman; Senator (Lieutenant Governor-Elect) ALBERT BOUTWELL; Representative JAMES A. BRANYON II; Representative J. E. HARVEY; Representative J. T. JOHNSON; Representative G. L. OAKLEY; Representative E. R. SOLOMON.

Mr. TALMADGE. I ask unanimous consent, Mr. President, that the following editorials and articles and letters be printed in the RECORD at this point:

Editorial from the Savannah (Ga.) Morning News of April 25, 1958.

Editorial from the Waycross (Ga.) Journal-Herald of April 26, 1958.

Editorial from the Atlanta (Ga.) Journal of May 8, 1958.

Editorial from the Griffin (Ga.) Daily News of May 7, 1958.

Editorial from the Valdosta (Ga.) Daily Times.

Editorial from the Atlanta Journal of June 10, 1958.

Editorial from the Albany (Ga.) Herald of June 11, 1958.

Article from the Macon (Ga.) Telegraph of June 13, 1958.

Editorial from the Paris (Tex.) News of June 6, 1958.

Editorial from the Albany (Ga.) Herald of April 25, 1958.

Editorial from the Moultrie (Ga.) Observer of June 11, 1958.

Editorial from the Decatur (Ala.) Daily of June 8, 1958.

Editorial from the Albertville (Ala.) Record of May 20, 1958.

Article from the Gastonia (N. C.) Gazette of May 15, 1958.

Editorial from the Seneca (S. C.) Journal-Tribune of May 21, 1958.

Sixty-one representative letters from Georgia and throughout the Nation endorsing the plan.

There being no objection, the editorials, articles, and letters were ordered to be printed in the RECORD, as follows:

[From the Savannah (Ga.) Morning News of April 25, 1958]

#### THE TALMADGE PLAN

By what no doubt amounts to no more than a pleasant coincidence, Senator HERMAN TALMADGE has proposed a farm program which embraces several of the points recently propounded by the Morning News.

In brief, Senator TALMADGE would do away with all price-support loans and acreage controls, and set the farmers free to plant as they please and sell their products on the open market.

Then, as a substitute for present price-support loans, the Senator's plan would bolster farm income by direct payments to growers of cotton, corn, wheat, rice, peanuts, and tobacco with this reimbursement covering the difference between open market prices and a parity level to be set at either 90 or 100 percent of fair earning power.

Since there is no sentiment whatsoever in Congress for ending the subsidies paid either directly or indirectly to other industries, agriculture cannot be expected to go it alone and Government aid must be continued.

But certainly the farmer should be freed of the bureaucratic controls which dictate the crops he may plant and the amount of them, and the Talmadge plan would do this.

The Senator is also confident that his proposal would cost less than the present pro-

gram, with payments being restricted to the individual farmer's share of the domestic market for his crop. There would be no subsidy on products sold for export.

At 90 percent of parity, Senator TALMADGE estimates his plan would cost a maximum of \$1.644 million a year, while at 100 percent of parity the cost would be to top of \$1,808,400,000. The savings to taxpayers over the present support loan scheme would be between \$2 and \$3 billion a year.

The farm problem has had Congress in a cold sweat since the end of the Korean war, but aside from the Soil Bank program devised by Secretary Ezra Taft Benson, no new remedy has been advanced. Now a Georgian who knows farmers and their difficulties has presented an idea which reinstates the principle of freedom, and it is to be hoped that it is substituted for the current subsidy, which has been justly condemned by Senator TALMADGE as a miserable failure.

[From the Waycross (Ga.) Journal-Herald of April 26, 1958]

#### TALMADGE HAS NEW FARM PLAN

Senator HERMAN TALMADGE has come up with what appears to be a sound plan to give the Nation's farmers a fairer share of the national income.

His plan calls for the abolition of all price support loans and acreage controls. Farmers would be free to plant as they pleased and their products would sell on a free market.

Farm income would be bolstered by giving growers of tobacco, cotton, corn, wheat, rice, and peanuts direct Federal payments covering the difference between open-market prices and 100 percent of the fair earning power parity level.

Each farmer growing basic commodities would be given a domestic production quota to be expressed in pounds, bushels, or bales instead of acres.

A bill of sale would be required with the farmer's application for sales price support payments.

TALMADGE contends that the plan would eliminate a lot of redtape, end regimentation and dictation imposed by acreage controls, and take the Government out of the business of buying, storing, and selling farm commodities.

Georgia's junior Senator said his plan will cost approximately half as much as the \$3.250 billion spent on present farm programs.

Already several of TALMADGE's colleagues in the Senate have had some kind words for the proposal.

Besides putting more money in the farmers' pockets the thing we like about the plan is that it would put a lot of people back to work and presumably would slow up the present farm-to-city migration.

In our own county, for example, more and more land is going into the Soil Bank. According to 1958 figures, just released, 69 percent of the county's cotton allotment and 23 percent of the tobacco acreage has been proposed for acreage reserve.

Last year the figures were 40 percent of the cotton and 15 percent of the tobacco. The increase is sizeable.

Senator TALMADGE's plan may not have all the answers, but it sounds to us like a lot better deal for all concerned than the program under which farmers and taxpayers are now suffering.

[From the Atlanta (Ga.) Journal of May 8, 1958]

#### A SIGNIFICANT PLAN

Senator HERMAN TALMADGE of Georgia may be quite junior in Washington, but as Doris Fleeson pointed out in her Journal column recently, he's mighty smart.

Miss Fleeson was writing of Senator TALMADGE's plan for farm price supports which combines the virtues of free enterprise with Government protection.

It would do away with the redtape and irritants of acreage controls and Government loans and let the farmer plant as much as he wants of any crop he prefers.

Here is where the protection factor enters. Each farmer would have a domestic production quota expressed in bushels, bales, etc. This quota would be worked out on the basis of national consumption of the commodity in question.

The farmer would do his own selling in the open market. This makes him a businessman again, rather than a Government ward. It also should reopen world markets to United States farm products.

If the price he gets is less than 100 percent of parity, the Government would pay him the difference on that part of his crop raised under the domestic quota. But only on that part raised under quota.

The farmer then, can stick to the quota and the Government umbrella. Or if he pleases he can exceed this quota as much as he wants at his own risk.

Here is another good feature. Payments would be limited to \$25,000 on the amount of price support any farmer could receive. Shades of Soil Bank abuses.

The plan sounds good and looks simple. It restores the farmer's independence, but leaves enough in the way of Government props to save him in emergency. It's a completely moral double standard.

Georgia and the South will like it. And as Miss Fleeson points out, other sections may like it enough to restore the old South and West agricultural alliance that once ran things in Washington.

[From the Griffin (Ga.) Daily News of May 7, 1958]

#### TALMADGE'S FARM PLAN

(By Quimby Melton, Jr.)

Every person in the United States is vitally concerned with the agriculture of this Nation. If it weren't for the farmer, where would the rest of the country be?

He raises our food and our fiber. He keeps the soil in trust for future generations. The trees which make the lumber which make the buildings which house us grow on his land. Without him, we'd be sunk.

Because of this vital interest of every American in the farmer, we particularly invite your attention to Senator TALMADGE's column which appears in the Griffin Daily News today, as it does every Wednesday.

Today the Georgia Senator has outlined his bold new farm plan for the United States. He particularly invites Georgia farmers to write and tell him what they think of it. We join in urging them to do so, because we know that the Senator will be guided by the wishes of the people of Georgia.

The Talmadge plan calls for letting the farmers farm. Anyone who ever tilled the soil knows the wisdom of this. Farmers constitute one of the last bulwarks of independence in this Nation. But they are so tied up now with redtape and Government dictation that it almost takes a lawyer to plant a home garden in the country.

Senator TALMADGE has offered what seems to us a vast improvement over the present situation. We hope that you will read his column then write and tell him what you think of his plan.

[From the Valdosta (Ga.) Daily Times]

#### TALMADGE'S FARM PLAN

(By Turner Rockwell)

Senator HERMAN TALMADGE, in a Senate speech a few days ago, offered a farm program which he feels will help solve many of the ills that beset American farmers and will remove the restrictions as to acreage planted to basic crops and others that have been major factors in the farm program under which our farmers have been operating for a number of years.



Senator TALMADGE feels that a farmer should be permitted to plant what he wants to plant and sell his crop for the best price he can get in the open market and then have the Federal Government pay him the difference between the prices he receives for commodities sold for domestic consumption and 100 percent of parity.

The way Senator TALMADGE outlines his proposed plan is this:

1. Eliminate all acreage controls and Government loans.

2. Assign each farmer growing basic commodities a domestic production quota to be expressed in terms of unit measurements (pounds, bushels, bales, etc.) which would be the same percentage of the national consumption of basic commodities that the farmer's historic acreage base bears to the total national acreage base.

3. Guarantee and pay to each farmer a sales price support of the difference between the price he receives for his domestic production quota and 100 percent of parity.

4. Require each farmer to submit a bill of sale with his application for sales-price-support payments.

5. Impose a maximum of \$25,000 on the amount of sales-price-support payments which any individual farmer could receive.

Senator TALMADGE believes that such a program would tend to eliminate redtape and the accumulation of farm surpluses and let the farmer handle his operations as he sees fit.

The Senator feels that, since it is geared to domestic production, it would amount to no more than giving the farmer the same protection which labor gets with the minimum wage and industry with the tariff.

It is generally agreed by those who have studied the farm problem that any program to be workable must permit the farmer to farm and provide some way of guaranteeing to him a fair share of the national income for his efforts. However, there is no general agreement as to how this is to be accomplished.

It can be said for the Talmadge proposal that it is different from that which has been tried. Doubtless it has bugs in it and would not do the complete job, but it is worthy of study. Certainly, the answer to the farm problem has not yet been found.

[From the Atlanta (Ga.) Journal of June 10, 1958]

#### FARM BILL EXTRAORDINARY

A farm bill with the unique distinction of having the approval of the farmer has been introduced in Congress by Senator HERMAN TALMADGE.

The bill would allow the farmer to grow as much of any basic commodity as he wishes. The Federal Government would pay the farmer the difference between the market price and 100 percent of parity on that portion of his crop consumed in this country.

The chief virtue of the bill is that it would return to the farmer a respectable measure of free enterprise, along with reasonable safeguards similar to those accorded other segments of the economy.

Senator TALMADGE formulated the bill only after long and exhaustive study. He conferred with farmers and farm experts across the State, and he borrowed the better points of agricultural bills of the past.

The result is a program that has the appearance of being practical, workable, and acceptable to those whom it most directly affects. And while it will have the opposition of the Benson day-dream crowd, its chances of passage are not as remote as some may think.

[From the Albany (Ga.) Herald of June 11, 1958]

#### THE TALMADGE FARM PLAN

Senator HERMAN TALMADGE's Agricultural Income Equalization Act of 1958, just intro-

duced in the United States Senate, is a step in the direction of sanity, as opposed to the hodgepodge of farm legislation now embodied in our statutes. The Talmadge bill would wipe out all of the acreage controls now binding farmers; would abolish the Soil Bank acreage-reserve program which has acted to depress the economy of many rural areas, notably including southwest Georgia; would retain the Soil Bank's conservation reserve program whereby cropland is converted to timber growing; would provide for payment by the Federal Government to the farmer of the difference between the price he receives in a free and open market and 100 percent of parity on that portion of his crop sold for domestic consumption, and would limit to \$25,000 the amount paid any producer in any 1 year.

The Senator feels his program would "restore American agriculture to a free-enterprise basis bolstered by a system of compensatory payments. Its objectives are to let the farmer farm, to guarantee the farmer his proportionate share of the national income, and to place American agricultural commodities back on the world market at competitive prices." This bill would permit the farmer to grow as much of any basic commodity—tobacco, rice, peanuts, corn, wheat, and cotton—as he desires and to sell it in any manner which he chooses. The Secretary of Agriculture would be empowered to proclaim each year a domestic consumption quota for each basic crop. A domestic consumption quota would then be assigned to each eligible farm. The farmer would receive compensatory payments to make up the difference between the price he gets for his crops and 100 percent of parity on his domestic production quota. Whatever he produced in excess of that quota could be sold at world market prices for whatever the farmer could obtain.

Obviously, the foremost virtue of the Talmadge farm plan would be its restoration to farmers of their historic individual freedom to market. Just as important, in these days of shrinking dollars, the Talmadge plan is estimated to cost less, both initially and over the long pull than the ponderous legislation under which our agricultural system now operates. The Talmadge plan has attracted strong bipartisan support in the Senate and has received the blessing of several leading farm organizations. Whatever its legislative fate, it strongly indicates that Georgia has contributed to the Senate a Member who thinks progressively and is prepared to act forthrightly for those principles in which he strongly believes.

[From the Macon (Ga.) Telegraph of June 13, 1958]

#### MIDDLE GEORGIA FARMERS SUPPORT TALMADGE'S PLAN

Middle Georgia farmers yesterday gave overwhelming support to Senator HERMAN TALMADGE's new farm bill.

They voiced their views of approval in Telegraph interviews of some of the delegates to the special session of Georgia Farm Bureau Federation here.

TALMADGE, a member of the Agriculture Committee, has introduced the bill, which in his own words would "let the farmer farm," and eliminate acreage controls and Government loans and guarantee the farmer a sales price support of the difference between the price he receives for his domestic production and 100 percent of parity.

H. B. Wilson, of Wilcox County, GBBF peanut committee chairman, and a State director in the farm organization, pretty well summed up reaction in this county this way:

"Most of our farmers will tell you this: 'I haven't seen it or studied it, but if TALMADGE is for it, then I'm for it, too.'" He said most Wilcox County farmers think if they can get a workable program in Congress, TALMADGE will be the one to lead the way on it.

Paul Smith, a Crisp County row-crop farmer, said he thought the bill "is a good thing because it gives a man a chance to sell what he wants."

Baldwin County's Winston Sibley, Jr., a young cattle farmer, said he was ready to try it. "I think they ought to offer something new," he said.

"I think it's practical and everybody I heard comment on it is for it," said L. H. Benson of Bleckley County.

J. R. Smith, also of Bleckley, said of TALMADGE's bill: "I think he's got some good points. If we're going to have a program we need better acreage allotments, which have just about hit the bottom of the can."

C. W. Torrance, another Baldwin Countian, said, "Well, we tried a little of everything, we may as well try it, too. Just like we've got a minimum wage (for a man working in industry) we ought to have some sort of a minimum pay price for the farmers for what they produce."

"We have to have some kind of change with farm-labor like it is and it [the Talmadge bill] is certainly an improvement on what we have," was the way R. E. Fulford, Johnson County Farm Bureau chapter president, put it.

[From the Paris (Tex.) News of June 6, 1958]

#### SENATOR TALMADGE, OF GEORGIA, OFFERS FIVE-POINT FARM PROGRAM

Senator HERMAN TALMADGE, of Georgia, has proposed a farm program which he terms will "let the farm guarantee the farmer his proportionate share of national income, place American agricultural commodities back on the world market at competitive prices."

A copy of his remarks on the floor of the United States Senate has been sent us by Larry Howard, Jr., former resident of Paris and son-in-law of Col. James M. Caviness.

Senator TALMADGE describes the present farm program as a miserable failure.

He said:

"It has depressed farm prices below the subsistence level. It has stimulated artificially high prices for consumer goods. It has forced farmers to abandon their farms. It has generated unmanageable surpluses of farm commodities. It has robbed the United States of its world market. It has resulted in a farm depression which has mushroomed into a general recession."

In brief, Senator TALMADGE proposes a five-point program which would:

1. Eliminate all acreage controls and Government loans.

2. Assign each farmer basic commodities, a domestic production quota, to be expressed in terms of unit measurements (pounds, bushels, bales, etc.), which would be the same percentage of the national consumption of basic commodities that the farmer's historic acreage base bears to the total national acreage base.

3. Guarantee and pay to each farmer a sales price support of the difference between the price he receives for his domestic production quota and 100 percent of parity.

4. Require each farmer to submit a bill of sale with his application for price support payments.

5. Impose a maximum of \$25,000 on the amount of sales price support payments which any individual farmer could receive.

The proposal embraces all commodities and thus will not start a battle among cotton, corn, and wheat people.

It has merit—as to whether it is the answer to the farm problem, that can best be determined by the people it actually reaches.

Why not write to Senator TALMADGE or your own Representative your opinions? They'd like reports from all over the Farm Belt.



[From the Albany (Ga.) Herald of April 25, 1958]

#### SENATOR TALMADGE FARM PLAN

Striking in its simplicity and bold in its approach to the complex farm problem which has plagued the Nation for two decades is the program outlined to the United States by Georgia's energetic junior Senator, HERMAN E. TALMADGE. Convinced that the Nation's economy is dependent in large measure on the formation of a realistic approach to modern agriculture, and wearied of the patchwork of discredited programs with which the national economy is now burdened, Senator TALMADGE has charted a future course which would enable the Government and the American farmer alike to begin again on the simple basis of free enterprise farming bolstered by a system of compensatory payments.

At the outset, it is apparent that his plan embodies all of the best elements of the advocates of a fully free farm market and those who propose that the Government has an obligation to support all farmers. In brief, the Talmadge plan would (1) eliminate all acreage controls and Government loans; (2) assign each farmer growing basic commodities a domestic production quota to be expressed in pounds, bushels, or bales which would be the same percentage of the national consumption of basic commodities that the farmer's historic acreage base bears to the total national acreage base; (3) guarantee and pay to each farmer a sales price support of the difference between the price he receives for his domestic production quota and 100 percent of parity; (4) require each farmer to submit a bill of sale with his application for sales price support payments, and (5) impose a maximum of \$25,000 on sales price payments which any individual farmer could receive.

The Talmadge program would cost an estimated \$1.28 billion, compared to the present cost of \$3.25 billion now paid to farmers under the price-support plan. However, the individual farmer would not suffer, as the Senator pointed out, in that only \$1.2 billion of the \$3.25 billion now being paid by the Government goes to farmers for direct price props. The Senator's plan would have the added benefits of reducing the enormous amounts of redtape through which a farmer must now wade to qualify for price supports, eliminate the regimentation and dictation imposed by acreage controls, and free the farmer to plant and sell as he pleases. It would also take the Federal Government out of the business of buying, storing, and selling farm commodities and place the responsibility for marketing with the farmer and with private enterprise, instead of with the Government.

Small wonder it is, then, that the Talmadge farm plan has elicited immediate support from many important farm groups, as well as from the Democratic majority in the Senate. Such farm State legislators as Senators STENNIS, of Mississippi; PROXMIRE, of Wisconsin; and JOHNSTON of South Carolina, have praised the proposal in such glowing terms, seldom accorded a freshman colleague, as the soundest, best plan I know of. Certainly it deserves the studied consideration of both farmers and legislators, and could provide a base on which a more realistic agricultural policy could be constructed. In the meantime, Senator TALMADGE's program stands as a monument to clear thinking in an arena often clouded with partisan politics and catch-as-catch-can schemes designed more to trap votes than to better the lot of the American farmer.

[From the Moultrie (Ga.) Observer of June 11, 1958]

#### FREE ENTERPRISE FARMING

Congress and agriculture have been clamoring for years for the establishment of a

better, more equitable farm program which will put farming on a free enterprise basis like the rest of the Nation's economy. Georgia's Senator HERMAN TALMADGE has just this week introduced such a proposed measure in the upper House.

TALMADGE's bill accomplishes several purposes, while wiping out some of the bad features of past programs regulating basic crops and crippling the farmers' chances of competing on a world market.

Under the Georgian's proposal, all acreage allotment controls over basic crops—cotton, peanuts, corn, tobacco, and wheat—would be abandoned. The farmer would be allowed to produce as much of those crops as he desires, but would be paid support prices on the difference between his share of domestic consumption and 100 percent of parity. The rest of the crop could be marketed for whatever it might bring on the world market.

The Secretary of Agriculture would be empowered to proclaim, each year, a domestic consumption quota and each farmer notified of his share in that quota.

TALMADGE's plan has been designated by the Georgia Senator as the Agricultural Income Equalization Act of 1958, and is designed to disentangle the farmer from the many crippling regulations and the volumes of paperwork, while at the same time putting American agriculture in a position to compete for world trade in farm products—something which has suffered tremendously in more recent years.

There may be bugs in TALMADGE's plan, but it has the earmarks of being by far the best proposal yet offered to meet the changing conditions and assure farmers of their fair share of the dollar. Those who have studied the plan and have a knowledge of agricultural economics have given it hearty endorsement.

The new farm program has potentialities and deserves something more than lip service or pigeonholing in Congress.

[From the Decatur (Ala.) Daily of June 8, 1958]

#### HANDWRITING IN THE HEADLINES

Congress should not require the services of any soothsayer to fathom the meaning of this headline, "Southern Cotton Oil Firm To Close."

That headline was published in the Florence Times this past Thursday. The unpleasant news story read in part, "After 57 years of continuous service, Southern Cotton Oil Division will close its Sheffield plant," Clement R. Duncan, manager of the plant said. "The company's decision to close its Sheffield plant was brought about by the decline of acreage planted in cotton in this area due to the cotton program imposed by the Federal Government. The plant has at maximum employed up to 80 persons."

"The Sheffield concern is only one of a number of cotton-oil companies in the South which has closed doors during the past several years due to the cotton recession. Florence Cotton Mills, one of the area's oldest industries, announced 2 weeks ago that it would close doors permanently."

There you have it, gentlemen of the Congress. Multiply this story a thousand times throughout the Southeast and you will have some idea about how serious is this cotton situation, affecting the lives of millions of people.

The laws you have passed, gentlemen of the Congress, together with the administration of the United States Department of Agriculture, is largely to blame for this condition. There are other factors too, but any industry that is so hamstrung with unfair laws cannot possibly get its head above water, no matter how many amendments you may pass, no matter how many more experiments you may add to the miserable experiments you have already passed.

If such talk sounds of bitterness, then accept it on that basis. We are bitter and there are thousands of people just like us down South, thoroughly disgusted with the political maneuvering which has gone on through the years in attempting to deal with plain, hard economics.

Even now you, gentlemen of the Congress, are fiddling about with some more half-baker experiments in the belief that unless you accept this or that compromise that you can't get any farm law passed.

May we say here that we do not doubt your good intentions. We do doubt that you recognize the seriousness of the situation. One or two more halfway measures and you will have succeeded in killing cotton once and for all in the Southeast. And when you have done that you will also have destroyed one of the greatest industries of all times in the Southland.

Cotton, as a patient, is not in need of a transfusion. Cotton needs a major operation. Nothing else will save the life of cotton.

You have among you a man from Georgia who understands what cotton needs in the way of legislation. His name is HERMAN TALMADGE. He has not been in Washington so long as many of you. He is fresh from back home. He knows what is going on in the cotton fields of Georgia and in the gins and in the textile factories.

Senator TALMADGE has a cotton bill which amounts to a major operation. If passed by the Congress and signed by the President, this bill will go a very long way toward saving the cotton industry. It amounts to a major overhaul of cotton legislation. We would suggest no changes being made in the measure he has prepared. We would suggest two additions, or amendments, to the Talmadge measure. There should be long-range planning done for research into new uses for cotton and there should be funds made available for research which will put an end to the boll weevil. With these additions the Talmadge bill will actually change the entire outlook for cotton and for millions of people who are dependent upon cotton for a livelihood.

We would hope that all the Members of Congress from the Southeastern States, all the Members of Congress from all the cotton-growing States, the American Farm Bureau Federation, the National Cotton Council, would rally behind this Talmadge measure, for believe us, gentlemen when we say that no minor legislative amendments to the cotton law are going to offer any cure for the patient. The patient will only die from improvements.

Unless this major operation is performed we will continue to read in the papers of this, that, and the other cotton oil mill closing, of gins being discontinued, of tractor firms going on short time for lack of business, of the migration from the farm continuing as farmers go to town in the hope of finding work, but winding up on relief rolls.

Gentlemen of the Congress you have it in your power to save this great industry. Fight for and vote for the Talmadge measure. Nothing less will accomplish the good you seek for the cotton farmer and the cotton industry.

[From the Albertville (Ala.) Record of May 20, 1958]

#### NEW FARM PROGRAM

Senator HERMAN TALMADGE, of Georgia, recently came up with some basic concepts for a new farm program which we think have a good deal of merit.

In his speech on the floor of the Senate, Mr. TALMADGE pointed out that the time has come when Congress must face up to the fact that our present farm program has been a miserable failure. He also pointed



up the unfortunate fact that our present dilemma is the product of partisan politics.

We think the time has come, as Mr. TALMADGE says, that the Federal Government free the farmer to plan and sell his crops as he sees fit, with the Government paying him the difference between the prices he receives for commodities sold for domestic consumption and parity.

The Georgia Senator has suggested this five-point program:

1. Eliminate all acreage controls and Government loans.
2. Assign each farmer growing basic commodities a domestic production quota to be expressed in terms of unit measurements (pounds, bushels, bales, etc.) which would be the same percentage of the national consumption of basic commodities that the farmer's historic acreage base bears to the total national acreage base.
3. Guarantee and pay to each farmer a sales price support of the difference between the price he receives for his domestic production quota and 100 percent of parity.
4. Require each farmer to submit a bill of sale with his application for sales price support payments.
6. Impose a maximum of \$25,000 on the amount of sales price support payments which any individual farmer could receive.

In simple terms, Mr. TALMADGE is proposing that farmers be allowed to grow just as much of all crops as they want to. On each basic commodity a basic production quota would be determined by the actual domestic consumption of the commodity.

Let's take cotton, for example. If our domestic consumption was 8 million bales per year, this quota would be apportioned among all farmers who wish to grow cotton, based on their past history in producing the crop. A farmer might have a domestic quota of 8 bales, which would mean that he could market 8 bales that year with 100 percent of parity price support. He could grow and sell all the other cotton he pleased, but he would have to sell the rest of it at world market price. On his eight domestic bales, the Government would simply pay him what the price lacked coming up to parity.

Senator TALMADGE quotes figures compiled from the Legislative Reference Service indicating that such a farm program as this would save the Government \$2 billion to \$3 billion a year over the present farm program.

At the same time, he figures, it would put an extra \$500 million a year into the farmer's pockets.

The agriculture committee of the Albertville Chamber of Commerce submitted a very similar proposal as this to our Representatives in Congress several months ago as its recommendation on the kind of farm program we need.

We are inclined to feel that we would all be better off if all segments of our economy were entirely free from Government control and allowed to seek their own levels. But it is unrealistic to say that farmers should be denied Government subsidies, when practically every other economic group in the country has them. Certainly farmers have the right to expect just as much economic protection from the Federal Government as labor gets through the guaranteed wage, and industry gets through the tariff.

This paper is convinced of the urgent need for the present Congress to set up a more realistic farm program. We believe that Mr. TALMADGE has offered at least the basic principles around which to build such a program. We urge all our citizens to study the matter carefully and to write to Congressman ALBERT RAINS and JOHN SPARKMAN your views.

[From the Gastonia (N. C.) Gazette of May 15, 1958]

#### COTTON FARMERS CAN'T STAND ANOTHER SLASH

"The cotton farmers can't stand another acreage cut this year. It would spell doom for the entire cotton economy."

That's Senator HERMAN TALMADGE, of Georgia, talking. What he says is heartily endorsed here in Gastonia by W. D. Lawson, Jr., and his son, W. D. Lawson III, of the Lawson cotton-shipping firm.

The Lawsons say TALMADGE knows what he's speaking of. What's more, they say, the Georgia Democrat has come up with the first workable agriculture program in years.

#### FREEZE ACREAGE

Senator TALMADGE, with several southern Senators joining, introduced a bill asking Congress to freeze acreage allotments this year.

Unless it's done, Agriculture Secretary Ezra T. Benson will go ahead with cuts of 22 percent in cotton acreage, TALMADGE warned.

"No cotton farmer, small or large, could stand such an acreage cut," TALMADGE said. "It would spell doom for the entire cotton economy."

Senator TALMADGE declared that if cuts are made—reducing cotton planting to 14 million acres—the United States will not produce sufficient cotton to supply its needs.

#### SOIL BANK?

He said the country couldn't stand putting another 5 million acres in the Soil Bank.

TALMADGE made these points while calling for a new farm program:

1. The present farm program has depressed farm prices below the subsistence level.
2. It has forced farmers to abandon their farms.
3. It has stimulated artificially high prices for consumer goods.
4. It has generated unmanageable surpluses.
5. It has robbed the United States of its world market.
6. It has resulted in a farm depression.

TALMADGE said his plan would "let the farmers farm" by removing acreage controls. Farmers could plant and sell their crops as they see fit. They would be guaranteed parity prices. The Government would pay the difference between parity and what they sell their crops for.

TALMADGE would limit payments to \$25,000 a year per farmer.

Farmers would be assigned production quotas in pounds, bushels, bales, etc., (not in acres).

Sale price supports would guarantee the farmer of a fair return. He would sell his own crops—not put them into storage—and collect from the Government the difference between the sale price and 100 percent of parity.

#### WRECKED

Saying TALMADGE had a good farm plan, the Lawsons declared the Soil Bank was wrecking the Nation's agriculture.

They're particularly interested in cotton. They don't like the Soil Bank's provisions taking cotton land out of production.

"When you quit growing cotton," they said, "you hurt a lot of people. The only one making money out of idle land is the farmer. The Soil Bank pays him."

"But what about the ginners, railroads, and truck lines that haul the cotton, the people that pick the cotton, the country stores, the banks, etc.?"

"They're being robbed by the Soil Bank. The answer to the problem is not taking land out of production. That's only making things worse."

[From the Seneca (S. C.) Journal-Tribune of May 21, 1958]

#### SENATOR TALMADGE SPEAKS A MOUTHFUL

Calling for free enterprise farming, Senator HERMAN TALMADGE told the United States Senate a mouthful recently.

The future of American economy is directly dependent upon the formulation of a new farm program, which Senator TALMADGE sees as one which will:

1. Let the farmer farm.
2. Guarantee the farmer his proportionate share of the national income.
3. Place American agricultural commodities back on the world market at competitive prices.

In other words, Senator TALMADGE wants the Government removed from the business of buying, storing, and selling agricultural commodities and wants the farmer to be allowed to farm under a free enterprise system as he pleases.

DOUGLAS, GA., June 11, 1958.

Senator HERMAN E. TALMADGE,

Senate Office Building,

Washington, D. C.

DEAR SENATOR: I am herewith enclosing a copy of a resolution which was passed at a recent meeting of the Coffee County Farm Bureau regarding the two-price plan.

Our farmers are very much in favor of this legislation.

With kindest regards to you, I am  
Sincerely,

H. J. QUINCEY.

At a meeting of the Farm Bureau members of Coffee County, Ga., at Douglas, Ga., on May 24, 1958, at which 502 farmers were present, the following resolution was read, introduced and passed unanimously by the farmers present:

"We unanimously approve of the two-price program advocated by Senators TALMADGE and RUSSELL and others with reference to export crops. We urge that Senators TALMADGE and RUSSELL introduce legislation whereby the farmer may plant what he wants to plant and sell his crops for the best price he can get, with the Federal Government paying him the difference between the price he receives for commodities sold for domestic consumption and 100 percent of parity.

"We commend Senator RUSSELL, Senator TALMADGE, Congressman WHITTEN, of Mississippi, and Commissioner of Agriculture Phil Campbell, and other Senators, Congressmen, and public officials for their support for this new plan for agriculture.

"We urge that all farmers write Congressmen and Senators and other interested parties to support this new national farm program and that a copy of this resolution be furnished to all Georgia Congressmen and Senators and to the local, State, and national press.

"We also urge that the Georgia State Farm Bureau advocate and support this plan."

COFFEE COUNTY FARM BUREAU,  
By R. C. PLYMALE, President.

PETITION TO THE HONORABLE HERMAN TALMADGE, UNITED STATES SENATOR

We, the undersigned, farmers and citizens of Toombs County, Ga., do hereby endorse the farm program of Senator TALMADGE, and earnestly urge that same be adopted by the



National Congress. This, the 31st day of May 1958.

J. Henry Bass, Pete Sawyers, Howell Dixon, Mrs. A. H. C. Maimo, L. Coleman, D. S. Faircloth, T. C. Rivers, Bobby Reynolds, Jerry Morris, T. W. Conner, Sr., M. Cooper, Lee Britt, M. D. Williams, Jr., Ras Coleman, L. R. Williams, L. E. Carter, J. W. Brantley, John Wright, J. B. O'Neal, J. L. Todd, Wade Willis, Roscoe Willis, Leo Willis, Steve M. Hall, Hugh Dixon, Cooper Brantly, Clifford McSuttin, John McSwain, Douglas Padgett, J. W. Beasley, Sam Beasley, J. M. Rollins, Wade L. O'Neal, Ray Scanyers, Wiley B. Brad-dock, J. C. Dixon.

GLENWOOD, GA., June 11, 1958.

Hon. HERMAN TALMADGE,  
United States Senator,  
Washington, D. C.

DEAR SENATOR TALMADGE: We noticed in the press Tuesday of this week where you had introduced a bill looking to getting a better farm plan for us farmers. This bill seems could solve our problems better than what we have, by eliminating the complete control acreage plan, now in effect and let us produce for our own consumption under quotas that would guarantee 100 percent parity, then produce as much as we want to for world markets at the prevailing price.

We, some of the farmers of the Landsburg District, Wheeler County, and whose address in Glenwood, Ga., Route No. 2, are signing this letter expressing our thanks for your careful study and for the introducing of this bill. We also want to thank you for your services there in the Senate.

Respectfully submitted.

O. L. Ryals, G. F. Johnson, F. B. West, L. B. Chambers, Daniel Butler, Taft Rope, Daniel Gillis, Roscoe Chamber, Carlton Japson, Willard Japson, S. D. Nelms, J. L. Sawyer, Aspey White, Tom Lawson, J. M. Avery, E. L. Avery, W. D. Queen, A. P. Goss, Gordon Goss, David Gillis, Thomas Avery, L. N. Toskey, J. W. Goss, Will L. Jones, Jr., Milton R. Sinclair, Willie Goss, T. H. Vasser, G. C. Barnhill, Eugene McNair, T. W. Page, Arthur Tarpley, Chester Aselry, Curtis Johnson, George L. Pope, B. H. Hill, G. F. Ethridge, J. W. Lord, J. W. Edge, J. Norman McDaniel, R. L. Avery, Ray Smith, Tom Smith, E. W. Bright, G. S. Bright, W. Kline Currie, Otis Ikine, Walter E. Gillis, D. W. Collins, Emmett Currie, C. B. Couey, James E. Brown, Troy Nelms, J. K. Neal, Eulas Nelms, Zade Forest, Jack Forest, J. T. Heath, Mrs. George Coleman.

YELLOW RIVER FARM,  
Covington, Ga., April 29, 1958.

The Honorable HERMAN TALMADGE,  
United States Senator from Georgia,  
Senate Office Building,  
Washington, D. C.

DEAR HERMAN: The Constitution carried your farm plan and I read it with care and as critically as possible for me, your friend. I find that it meets the situation in every particular. Farmers are more than makers of crops. They are the people who provide our means of living. The shame of the recent farm programs is that they drive our best people from the land.

I took the liberty of broadcasting the Constitution account of your program over our little Covington station and urged the farmers to study it and to write you their comments. I hope they do so but my experience with farmers is that they do not write very much.

I hope the politics of the situation will work in favor of your farm plan.

With best regards,  
I am, as ever,

CHANNING COPE.

LADSON LUMBER CO.,  
Moultrie, Ga., June 18, 1958.

Senator HERMAN TALMADGE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR TALMADGE: With reference to the new Farm Act, which you are sponsoring, I do sincerely trust that you may be able to get the act made into law.

I have read the act and heartily approve of the proposed new law to govern our farming operations.

I own and operate farms and I am certain that we can never hope to make any money, nor even have a decent existence on the farms under the present farm law.

We thoroughly approve your efforts and I wish to assure you of my very highest regards and best wishes.

Sincerely yours,  
J. E. LADSON, Sr.

SPARTA, GA., June 9, 1958.

Hon. HERMAN TALMADGE,  
United States Senator,  
Washington, D. C.

DEAR SENATOR TALMADGE: I have been farming for the past 50 years, and I do think that the farm program that you have proposed is the best one yet, especially for the small farmer.

I do hope that you will do every thing possible to get it through.

With best wishes for you, I remain,

Sincerely yours,  
C. BRIDGES.

SUMNER, GA., June 2, 1958.

Hon. HERMAN TALMADGE,  
Washington, D. C.

DEAR SENATOR TALMADGE: I am a Worth County farmer. The past few years have been lean years because of unfavorable weather conditions but the thing that has discouraged us more than the weather conditions is the way that the Government is handling the farm program. Most of us who till the soil for our living in the land of the free have had our hopes darkened because of the actions of men who know little of farm needs and farm problems.

We take new hope with men like you and Senator RUSSELL pulling for us. We have so few men in whom we can place our trust. We are proud of you. I support your farm program 100 percent. I would like to see the powers of the Supreme Court trimmed down and also Mr. Eisenhower's power.

I would like for you to be the Moses to lead us out of the wilderness.

God bless and strengthen you in your endeavors.

Your friend,  
FRANK CARTER.

WAYCROSS, GA., May 24, 1958.

Senator HERMAN TALMADGE,  
Senate Office Building,  
Washington, D. C.

DEAR HERMAN: Your idea of a new farm program sounds real good to me. Do hope you get enough encouragement to offer it. I'm sure it will take a hard fight, but here's hoping you can get it through, you seem to understand just what we farmers need. Here's wishing you the best of everything.

Respectfully,  
A. M. GRIFFIN.

THOMASTON, GA., May 29, 1958.

DEAR HERMAN: I saw in the paper that you had a plan for the farmer. Well I am pleased with any plan that you should suggest for the plan we have been trying to go on with, has just put we little farmers out of business. Well, I am sending you some papers that I have taken care of for several years.

Well I hope something can be done to help the farmer for we can't live on pine trees and soil bank. Well I hope everything that you plan can be carried out for I know it is right.

Very truly yours,  
W. M. PITTS.

MAY 22, 1958.

DEAR FRIEND HERMAN TALMADGE: Just a few lines to let you know that the farmers in Brooks County want you to put your bill before the Senate. Please do all that you can to get it passed. Here is some names around me all wants it passed: L. N. Craft, J. D. Craft, J. E. Craft, E. J. Copeland, E. B. Copeland, J. E. Hart, J. W. Craft, Ray Hiers, Willard Calhoun, Pavo, Route 2.

They have ask me to write this to you. Please work for us.

As ever, your friend,  
L. N. CRAFT.

PRESTON, GA., May 16, 1958.

Hon. HERMAN E. TALMADGE,  
Washington, D. C.

DEAR SENATOR: First, I would like to say thanks for a fine job you are doing in the Capitol.

I have been reading your five-point farm bill with utmost interest, and have come to the conclusion that it is one of the best farm bills up to the present time.

There is no doubt in your mind, mine, and a lot more people that if a man owns land he should be able to have the freedom to do as he sees fit on his own property. Not every day or so some jackleg from the ASC office saying you can't plant this, you can't get over that line, etc.

The farm program as it stands today is bogged down in so much red tape the people trying to run it themselves is completely lost and has the farmer so confused he doesn't know whether he is right or wrong. They holler and scream you can't do this, you will have to pay a penalty; you can't plant that, you will lose your "pine tree soil bank check," etc. Your program will eliminate all of this mess and put the farmer back to doing his own clear-headed thinking.

Yet, there is no doubt that the farmer should have support of some kind to assure him he is going to get a fair return at gathering time and selling time. This will give him a base to figure how much debt to put over his head, with some assurance that he will not have to give his stuff away at what price the "Big Man" sitting back in shade decides he wants him to have. I can remember an old saying of your daddy's, "You can't out-figure a man sitting in the shade with a pencil."

Almost every group this day and time, working and selling, have a pressure group to represent them one way or another, but the ole farmer is still in the middle of the row. Work all the year and wait months for his paycheck and get what they want him to have. Fight insects, weather hazards, long hours of work, and all night worry. Yes, he needs support, yet he needs freedom. Put the farm program back in the farmer's hand. Yet give him support so he will know how he stands. Your program will do just this. It will eliminate the redtape, lift a burden off the farmer's shoulder, and will adventurously eliminate all surpluses, because the farmer will get around to doing his own acreage allotments.

I might add that if something isn't done, and done quickly, in just a few years in the future, there will be hungry in what now is the land of plenty. People are leaving the land by the hundreds every year, and the time is coming close at hand. When the good ole taxpayers will have to start paying \$2 a pound for beef, 20 cents a pound for potatoes, then they can call back on this time of plenty and say, Senator TALMADGE and a few



more wanted us, but we didn't listen. They worked hard to get a good farm program that would keep the people on the farm.

Again, thanks, Senator, for a job well done.  
Yours truly,

R. L. ROGERS.

HEPHZIHAN, GA.,

May 13, 1958.

Senator HERMAN E. TALMADGE,

Senate Office Building,

Washington.

DEAR SENATOR TALMADGE: You have asked the farmers to let you know what they think of your farm plan. Well we want to tell you that we think it is a good and wonderful plan, and just what the farmers should do. Mr. TALMADGE, I feel like that you are getting lots and lots of letters from the farmers agreeing with your plan, but I know there will be a lot of them that feel like you and I do about it, but won't take the time to sit down and write you, but I know that they agree with you, for they know, that if you thing it is a good plan, it will work out fine, for you have the interest of the farmers in your heart.

Mr. TALMADGE, when we are on the highways and we ride for miles and miles and see no farmhouses, nothing but fields and fields of weeds and bushes, it makes us worry and wonder about our country. If something isn't done for the farmers, I hate to think of what will happen.

My father was a farmer and farmed until he was 80 years old, and raised 8 children. He couldn't do that now though. My husband and I are the "little farmers" and we couldn't do as much as we do if he did not have a job at a lumber company.

I guess you know that it is a standard joke nowadays, that if one does any farming he has to have a job at something else. So I think it time to try something else for the farmer, and I think your plan is just what the farmer needs, and I hope and pray that it will be written into law.

Good luck to you, and may God bless you.  
Sincerely,

Mrs. R. T. MARKS.

WRENS, GA., May 14, 1958.

Hon. HERMAN TALMADGE,

United States Senate,

Washington, D. C.

DEAR SENATOR TALMADGE: In response to your proposed farm bill embracing the two-price system for allotted crops, the Wrens chapter of the Jefferson County Farm Bureau unanimously adopted a resolution endorsing the proposed bill.

Farmers of this section are fully aware that the present farm program is wrong, and unsatisfactory, and wholeheartedly support your move to write a new farm bill into law. The two-price system seems to be the best all around that has been offered. The local farm bureau wishes you speed in getting this written into law.

Yours truly,

JOHN C. SWANN,

Vice President, Jefferson County Farm Bureau.

PRESTON, GA., May 13, 1958.

Senator HERMAN E. TALMADGE,

Senate Office Building,

Washington, D. C.

DEAR SENATOR TALMADGE: In reply to your article in the Market Bulletin concerning the farm program, if I understand it right I am in agreement with it, still I wouldn't plant much more, but I wouldn't have to worry about planting over the allotted acreage and paying a penalty for something I probably haven't done.

I'm a very small farmer though and we in this part of the country have to have another

job to make a living so if we can get 100 percent parity we will be grateful, but I don't believe the President and Mr. Benson will let us have it.

It seems to me like they would know by now that when they make it hard on the farmer eventually the rest of the country soon feels it.

Respectfully,

Mrs. O. R. MCGILL.

VALDOSTA, GA., May 12, 1958.

Hon. HERMAN TALMADGE,

United States Senate,

Washington, D. C.

DEAR SENATOR TALMADGE: After all the discussion we have had concerning a new and much needed farm program, I am happy to learn of your proposed farm plan.

The Lowndes County Farm Bureau welcomes the opportunity to endorse and support your program, believing it embraces all the sound principles and absolute necessities that are possible to write into a farm plan, and we offer you every encouragement to present it.

We commend you for your sound thinking and most able efforts.

Yours very truly,

LAVELLE WEBB,

President, Lowndes County Farm Bureau.

CORDELE, GA., May 10, 1958.

Hon. HERMAN TALMADGE,

Senate Office Building,

Washington, D. C.

DEAR SENATOR TALMADGE: In response to publication of your Talmadge farm plan in south Georgia newspapers with requests for farmers' opinions, I would like to submit my observations. I farm 800 acres near Pitts in Wilcox County and also travel over south Georgia and south Alabama as a sales representative in the nitrogen fertilizer chemicals business, so that I am able to supplement my own reactions with ideas from many people in the South's agricultural economy.

In the past week I have not found anything but approval of the ideas incorporated in your plan. I want to give you these reactions. Your plan:

1. Answers the need to stimulate the agricultural economy of our area.
2. Offers farmers the opportunity to reduce unit costs of production by farming acreage optimum to their circumstances.
3. Offers a wholesome way to stem socialism by allowing farmers and others the chance to earn their own way, thus reducing Government participation to a minimum.
4. Retains needed stiffening of pricing by way of domestic production quotas and parity based on direct cash subsidies.

Congratulations. We need something bold and free like this. You have my support.

Sincerely,

C. RICHARD GLEASON, Jr.

OSIERFIELD, GA., May 11, 1958.

Senator HERMAN E. TALMADGE,

Senate Office Building,

Washington, D. C.

DEAR SENATOR TALMADGE: It is the general consensus of opinion in our neck of the woods that your farm plan as outlined in the current issue of the Market Bulletin is definitely a step in the right direction.

I think that it could definitely be stated that 85 percent of my farming associates have a bellyful of Government controls in our business. This Soil Bank business is ruining our local economy.

I'm not too familiar with Federal legislative procedure. Why not hold a referendum as with voting for cotton and peanut controls and ask for a yea or nay on your proposals just among farming people concerned. I believe the results would give a good indi-

cation of the strength lined up behind such a program. Let's not let these folks in county ASC offices and such have anything to do with this. They will be outnumbering the farmers shortly if conditions continue as at present.

I have too many gripes concerning the present situation to waste your valuable time airing them so will let this suffice for now. I like your ceiling figure on supports. We have taken some untrue criticism from the general public because of the abuses of a few. The general public needs to know why they are paying high prices for farm products.

Respectfully yours,

MILTON HOPKINS, Jr.

MILLEN, GA., May 9, 1958.

Senator HERMAN TALMADGE,

Washington, D. C.

DEAR SENATOR TALMADGE: Read your two-price plan in the Market Bulletin yesterday and I really would like for you to get it through. I sincerely am for it. I believe the people of Georgia should appreciate it very much indeed to have someone like yourself to help us out of the rough spots.

I have 7 in family and only have 5.8 acres of cotton and 1.3 acres of peanuts. I have tried several times to get the committee at the PMA office to raise the peanut allotment to at least 1½ acres, but they won't. I hope every Georgia farmer writes you to put this plan in action.

Sincerely yours,

CLEVE WILLIAMS.

DEVEREUX, GA., May 5, 1958.

Senator HERMAN TALMADGE,

Senate Office Building,

Washington, D. C.

DEAR SENATOR: I am a farmer as well as a rural carrier and as such I am keenly interested in your farm plan as outlined in the press. This is what I have been wanting all the time. There never has been any sense in paying less than 100 percent of parity, as there is no such thing as a percent less than 100 if it is parity.

This plan will work. Push it.

Yours very truly,

ALWYNE O. HUTCHINGS.

SHADY DALE, GA., May 6, 1958.

DEAR SENATOR: Your farm bill has been discussed in our town and we think it is by far the best solution to the farm problem that has been presented.

Our county appreciates your fight for States rights and constitutional government.

Very truly yours,

WM. HUGH LEWIS.

EMPIRE, GA., May 5, 1958.

Hon. HERMAN TALMADGE,

United States Senator:

This is to advise that I am highly in favor of your farm plan and hope that you can get full support from all of Georgia's farmers. I am only a small farmer and I know how the small farmer fares with the present program.

Sincerely yours,

A. M. BATES.

MANASSAS, GA., May 5, 1958.

Hon. HERMAN TALMADGE,

Washington, D. C.

MY DEAR SENATOR: This is merely to remind you that we "Crackers" in south Georgia, and I in particular, want to commend you on your diagnosis of the farm problem. It is by far the most sensible solution of the farmer's ills than anything that has been advocated up to now. This Soil Bank experiment is an expensive joke.

Just don't weaken.

Cordially yours,

C. E. SYKES.



DEPARTMENT OF AGRICULTURE,  
AGRICULTURE BUILDING,  
Atlanta, Ga., April 29, 1958.  
Senator HERMAN TALMADGE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR: Just a few lines to offer my congratulations for your timely remarks last week concerning the need for facing the facts and outlining your thoughts in regard to a national farm program.

I think your approach and your opinions hit the nail on the head insofar as our agricultural needs are concerned, and I certainly hope your colleagues give the utmost consideration to the arguments you presented.

Thanking you for all past favors and wishing for you an ever stronger position in our Nation's government, I am

Yours very truly,  
JACK GILCHRIST,  
Director, Information and Education.

CLERK'S OFFICE OF THE  
CITY COURT OF MACON,  
BIBB COUNTY COURTHOUSE,  
Macon, Ga., May 1, 1958.

HON. HERMAN TALMADGE,  
United States Senator,  
Washington, D. C.

DEAR SENATOR: I read your speech in the Senate on the agricultural situation last week, and it is indeed gratifying to know that Georgia has a Senator with the perception and understanding of the agricultural situation as you do. Far too often the farmer has been "helped" by legislation of ultimate harm, for farm "helps" such as allotted acreage, loans, Soil Banks, etc., may be of some immediate benefit to the farmer, but will eventually cause farm disaster.

It is only under such a system as you propose, where the farmer is free to farm as he pleases, and to sell his products as he pleases, with the help of a computed subsidy such as you have planned that he will be able to achieve the standard of living that is his right.

I wish you complete success in your campaign to help the farmer, and will be watching your progress with great interest.

Very truly yours,  
Mrs. Ida N. Watson.

ROME, GA., May 9, 1958.

MY DEAR SENATOR: I have studied your farm plan as outlined in the Market Bulletin. It appears to me to be the most rational of any which has appeared. There has been too much political and not enough economic planning. The result has been fantastic.

I have never become involved in any way with the Government setup. It has never seemed to me to be rational. You cannot legislate farming. Your plan would protect the farmer as much as he may deserve to be protected and would involve less expense and manipulation to the Government.

Incidentally, I notice that in Georgia cattle, hogs, and eggs which are not under any restriction all sold last year above parity. Also 50 percent of cotton acreage in Georgia for this year is in the Soil Bank. This means that the mills will go to synthetic fibers and that market will be closed for the future. That helps a great deal.

Also I approve your restriction upon the amount which can be paid any one farmer. Last year one outfit in Kansas received \$238,000 for not planting 22,000 acres of wheat. That helped the small farmer? The present setup is ideal for big farming companies but not for the little man who needs help.

Stay with it.

Very truly,

WILLIAM HOWARD LEWIS.

THOMASVILLE, GA., May 15, 1958.  
Hon. HERMAN TALMADGE,  
United States Senator,  
Washington, D. C.:

Your proposed farm bill is popular with 97 percent of the farmers that I have talked with here on the market. They are for it.

You are probably getting letters opposing it, but if they are tracked down you will probably learn their interest is something else, not farming. Things like that have happened in my section before. Your bill can't harm a farmer; it will most certainly help. Will write.

GRADY KNIGHT.

MEDICAL COLLEGE OF GEORGIA,  
EUGENE TALMADGE MEMORIAL HOSPITAL,  
Augusta, Ga., May 13, 1958.  
Senator HERMAN TALMADGE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR TALMADGE: Your proposed farm bill has been the subject of considerable discussion among various groups of individuals and I wanted to tell you that it appears to have unanimous support of every person with whom I have talked. It is true that most of my friends are in the medical profession, but all of us are deeply aware of the implications of the present farm policies and this seems to be a very realistic solution. With kind personal regards, I am,

Very sincerely,  
RUFUS F. PAYNE, M. D.

HOUSE OF REPRESENTATIVES,  
Atlanta, May 17, 1958.

HON. HERMAN E. TALMADGE,  
United States Senator,  
Washington, D. C.

DEAR HERMAN: I have read with a great deal of interest your new five-point farm program which you are advocating. I would like to say that I am wholeheartedly in favor of this as I think along with you that it would eliminate a great deal of redtape.

I know that the farm problem will not be an easy matter to solve. I personally feel that the farm problem is curable. All we need is an honest approach—a nonpolitical, long-range plan with teeth enough to make it work and sufficient fairness to farmers and consumers alike.

I would like to say that I believe the program that you are advocating will help to solve the farmers' problem. I urge you to offer legislation to write the Talmadge farm plan into law.

With warm personal regards and best wishes, I am,

Sincerely yours,  
MARVIN L. SUMMERS.

VALDOSTA STATE COLLEGE,  
Valdosta, Ga., June 12, 1958.  
Senator HERMAN TALMADGE,  
United States Senate Office Building,  
Washington, D. C.

DEAR SENATOR TALMADGE: It was with a great deal of pleasure that I read in the paper of your bill to relieve the farmers of restrictions on the crops that they can plant. If we could get some of our Senators to understand this situation and let us get back to the system in this country that we lived under for many years and which made this country great, maybe things would get better.

As you know, I make many speeches down in south Georgia. I never miss an opportunity to try to drum this into the people of our section—that we are rapidly getting to a situation where we are living under restrictions from Washington.

Cordially yours,

J. RALPH THAXTON,  
President.

STATE OF GEORGIA,  
HOUSE OF REPRESENTATIVES,  
Sandersville, Ga., May 22, 1958.  
Hon. HERMAN E. TALMADGE,  
United States Senate,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR: Since your speech proposing the new farm program for America, I have contacted a number of farmers and leaders in the field of agriculture, and find that they are in hearty agreement with you on your plan. I am convinced that you will have some very strong backing when you get ready to push for its passage.

I am,

Sincerely yours,  
HARVEY ROUGHTON,

SANDY SPRINGS, GA., June 10, 1958.  
Senator HERMAN TALMADGE,  
Washington, D. C.

DEAR SIR: It is with great appreciation that I write this letter to tell you how much I appreciate the effort you have made toward getting this country back on the right track, by offering your bill about removing the curbs on acreage.

I am 100 percent back of you in it, and know of nothing which will get the country back on its footing of a sensible nation except put the controls back in the people and give the old rule of supply and demand a chance to take care of things. This thing of the Government stepping in and trying to open up everything is just a little on the give side to me. When we have no desire to do anything but sit back and figure how much the Government is going to give us not to do certain things, like so much not to plant over a given number of acres, well, we are getting pretty low.

I have often thought, after having seen some of the countries of Europe, God has been good to us, and made this Nation a wonderful place, but if we keep abusing His gifts and wasting our resources, which were put here for our uses, I don't think for 1 minute that He is going to condone our foolish acts of not using that which was put here for our best uses.

Let me say again, I for one, endorse the good which you are doing. Just keep up the good work.

Very truly yours,  
THOMAS CARTER.

GEORGIA POWER CO.,  
Macon, Ga., June 11, 1958.  
Senator HERMAN E. TALMADGE,  
United States Senate Office Building,  
Washington, D. C.

DEAR SENATOR TALMADGE: I would like to commend you for introducing your bill to aid the farmers.

The farmers need some relief and I think your bill will allow them to get back into business as they rightfully should be.

Yours very truly,  
P. F. PINKERTON,  
Division Engineer.

THE JARROY CO.,  
Adel, Ga., June 11, 1958.  
Hon. HERMAN TALMADGE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR: Will you please permit me to express my appreciation for the comprehensive understanding you have of the national agricultural crisis, and especially your knowledge of the individual farmer's plight. The wisdom shown in the drafting of your farm bill, which, "if enacted, will positively restore faith, confidence, and initiative to the farmers throughout the land, is indeed outstanding.



It is gratifying to feel that you are many laps ahead of others in your thinking, and I just want to tell you that though you are a junior Senator in years of service, you are a senior in vision and determination.

Am delighted to consider you my Senator, and I am pulling for you.

Respectfully,

J. J. PARRISH.

JULIETTE MILLING Co.,  
COTTON YARN DEPARTMENT,  
Macon, Ga., April 24, 1958.

Senator HERMAN TALMADGE,  
Senate Office Building,  
Washington, D. C.

DEAR SIR: I would like to take this opportunity to congratulate you upon the speech made in the Senate yesterday, Wednesday the 23d, in which you propose methods to put the farmer back to farming under a basis of free enterprise farming. It is my sincere belief that your plan would be of the greatest benefit to the farmer, the industries dependent upon the farmer for their raw material, the consumer and the Nation, and I believe the sales price support for the farmer as you propose is definitely the fairest plan yet brought forward both for the individual farmer and the country's economy. The elimination of acreage controls and Government loans which have raised the price of cotton, as well as other commodities, to an entirely artificial level, would give the cotton textile industry from grower, ginner, and warehouseman to spinner a chance to operate on a fair basis for the first time in years.

I note a recent article in the Readers Digest, which I am enclosing, which gives the result of a poll taken on a farm group which certainly indicates that the farmer himself is beginning to realize that his future lies in the marketplace and not in Government regulated and regimented farming.

Yours very truly,

J. B. BOWDRE.

COURTS & Co.,  
Atlanta, Ga., April 30, 1958.

Hon. HERMAN TALMADGE,  
United States Senator,  
Senate Office Building,  
Washington, D. C.

DEAR HERMAN: Your farm plan in the CONGRESSIONAL RECORD of April 23 makes sense.

What can we do to help its adoption?

Sincerely,

WM. E. HUGER.

GEORGIA FARM EQUIPMENT  
ASSOCIATION, INC.,  
Macon, Ga., May 23, 1958.

Hon. HERMAN TALMADGE,  
Senate Office Building,  
Washington, D. C.

DEAR HERMAN: The enclosed bulletin is for your information. We have your plan printed on page 5. It looks mighty good and we would like to know anything we might be able to do to help it along.

Thanks for your fine representation and with best personal regards to you and Betty, we remain

Yours very truly,

JOE F. PRUETT, Secretary.

W. D. FELDER & Co.,  
Atlanta, Ga., May 23, 1958.

Hon. HERMAN TALMADGE,  
Washington, D. C.

DEAR SENATOR TALMADGE: After studying your outlined plan for farm commodities and naturally agreeing with your ideas 100 percent, I have made it a habit to ask everyone with whom I have business dealings (which is people in the mill business and farmers and ginner) what they thought of your ideas. You will be interested to know

that out of about 90 people in this category I have yet to find one who does not agree with you.

The only trouble any of us can find with your ideas is that someone has not already been smart enough to formulate them and express them and get them enacted into law and we all pray that you may be successful in consummating this.

Yours very truly,

L. B. HOWARD, Jr.

GEORGIA COTTON GINNERS ASSOCIATION,  
Decatur, Ga., May 28, 1958.

Hon. HERMAN TALMADGE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR TALMADGE: We are pleased to know that you have presented the best possible solution to solve our cotton troubles. The Georgia ginner think if the Congress would pass such a bill that all segments of the cotton industry could live with it and work to again put cotton in its rightful place in our economy.

When a new Secretary of Agriculture with an open mind takes office, we hope you will introduce a bill containing your proposal. We will work for its passage.

We do appreciate your efforts in behalf of cotton in the southeastern Cotton Belt and if at any time we can be of service to you please call on us.

Kindest regards.

Sincerely,

TOM MURRAY,

Executive Vice President.

W. C. BRADLEY Co.,  
Columbus, Ga., June 5, 1958.

Hon. HERMAN TALMADGE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR TALMADGE: Thank you for your letter of June 3 enclosing a copy of your speech before the Senate. I had, of course, read the accounts of it in the newspapers as well as in our various cotton trade papers, but had not read the speech in its entirety. Frankly, it is the finest appraisal of the failure of our agricultural program that I have seen.

You will undoubtedly be interested in knowing that it received the unequivocal approval of the entire cotton industry. The industry is delighted to discover a Member of Congress that actually is familiar with what cotton is faced. The present course offers nothing other than disaster. Many of us failed to recognize how far reaching is this fiber until the Soil Bank program woke us up.

As a National Cotton Council representative testified before your committee last week, cotton's market potential is over 20 million bales. Just imagine what that would mean to the cotton-producing States.

We appreciate your efforts on behalf of cotton.

Yours very truly,

LOVICK P. CORN.

MCDONOUGH, GA., June 10, 1958.  
Senator HERMAN TALMADGE,  
Washington, D. C.:

The Agricultural Income Equalization Act of 1958 should be the answer to the Nation's agricultural economy problem. I agree with you on this proposal and wish you much success in this endeavor.

CENTRAL FEED & SEED Co.,  
WALKER MCGARITY.

GEORGIA BANKERS ASSOCIATION,  
Atlanta, Ga., June 6, 1958.

Hon. HERMAN E. TALMADGE,  
United States Senator, Senate Office  
Building, Washington, D. C.

DEAR SENATOR TALMADGE: The Federal legislative committee of the Georgia Bankers Association, with our executive council con-

curring unanimously, directed me to advise you of their endorsement of your recent proposal to the United States Senate calling for a new farm program for the Nation which would, among other things, let the farmer farm, and guarantee the farmer his proportionate share of the national income.

The executive council of the Georgia Bankers Association is the governing body representing all the banks in the State. I believe that this executive council very accurately reflects the opinion of Georgia bankers that the responsibility of producing, selling and buying farm products is one which can best be served in the hands of the farmers and private enterprise. At the same time practically every other segment of the Nation's economy is underwritten by the Federal Government in some manner, and farmers should be in a position to be assured of prices for their produce that will enable them to enjoy a reasonable standard of living.

Present farm programs here in Georgia, as you know, are certainly bringing about reduced production and an accompanying necessity for farmers to abandon their farms to seek a livelihood elsewhere, usually in urban areas.

Our executive council feels that your proposal has much merit and it is hopeful that proper consideration and favorable action will be given by your colleagues in the United States Senate.

With kindest regards, I am,

Cordially yours,

WILLIAM H. HOSCH,  
Secretary.

W. C. EVANS, JR., COTTON Co.,  
Bartow, Ga., June 13, 1958.

Senator HERMAN E. TALMADGE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR: Please allow me to compliment you for presenting your plan for cotton legislation to the committee. I think it is the most sensible and workable plan that is now before the committee.

One plan up before committee consideration known as the choice plan would, if passed, spell death to all small cotton merchants. It would set the CCC up as practically the sole supplier of cotton. No Government agency should have such authority.

Thank you for all your efforts in behalf of the people of Georgia.

Yours very truly,

W. C. EVANS, JR.

MONROE, GA., July 11, 1958.

Hon. HERMAN TALMADGE,  
United States Senate,  
Washington, D. C.

DEAR HERMAN: I just wanted to let you know that I think your farm bill is the best legislation that has been offered up to the present time. I know, and you know, that a lot of the farmers do not like to farm under the present acreage restrictions and would like to farm on their own. Your bill would give them a support price and a chance to extend their operations if they have the initiative and willingness to do so.

Respectfully,

P. N. BRISCOE.

KOHLMEYER & Co.,  
New Orleans, July 11, 1958.

Hon. HERMAN TALMADGE,  
Senator from Georgia, Senate Office  
Building, Washington, D. C.

DEAR SENATOR TALMADGE: I have read of your efforts to solve the cotton dilemma through your proposal to pay cotton farmers the difference between 100 percent of parity and the sale price on their share of the domestic offtake, up to \$25,000.

This is the most sensible approach to the problem, and the only workable answer.



As an ex-president of the New Orleans Cotton Exchange my voice carries some weight in certain places. If there is ever anything that I can do to help, please do not hesitate to call on me.

Respectfully,

HERMAN S. KOHLMAYER.

TRACY T. JONES & SON,

Little Rock, Ark., June 17, 1958.

Hon. HERMAN E. TALMADGE,

United States Senate,

Washington, D. C.

DEAR SENATOR TALMADGE: I notice from the weekly newsletter of the National Cotton Council that you have introduced a bill in the Senate for a compensatory payment on cotton to producers. Among other things, your bill eliminates a fixed-price loan and does away with acreage control. Permit me to say that all of the proposed legislation that I have heard of, this is, without a doubt, the most logical and intelligent approach to a solution of our cotton problems. There is no doubt in my mind that these problems should be met in a basically sound program instead of the many hairbrained, uneconomical proposals that I have read. I—as a cotton man—am convinced that there is a possibility, and a strong probability, that if cotton would be competitively priced and open to free markets that we could produce and market 20 million bales of American cotton.

If you do not believe the present cotton program is a failure, I invite you to ride around the countryside of the cotton-producing States and see the deplorable conditions which exist in the rural communities that depend on cotton and cotton labor for their business. With 20 million bales being produced and sold, just think what it would mean to cotton gins, cotton warehouses, railroads, steamship lines, implement manufacturers, banks, telephone and telegraph companies, and the thousands of people who would be employed in producing and marketing this crop.

I do hope you will push your bill, and I assure you that if I can ever be of any service or give you any information, I will be delighted to have you call on me for it.

In closing, I wish to say that I hope you will forgive a "foreigner" for writing you, but I am not altogether a foreigner. I was in South Carolina, and lived in Augusta, Ga., until 1923 when I moved to Little Rock, Ark. I have always admired the Talmadge family, and had great respect for your father.

Very truly yours,

TRACY T. JONES.

THE DECATUR DAILY,

Decatur, Ala., June 14, 1958.

Senator HERMAN TALMADGE,

Senate Office Building,

Washington, D. C.

DEAR SENATOR TALMADGE: As you know, down here in Alabama, we are fired up over your proposed farm measure. It is the first measure which has made economic sense in the past several years and is the only hope for the cotton farmer.

The Alabama Legislative Cotton Study Committee, after holding meetings in each of the congressional districts and after having heard hundreds of witnesses in all phases of the cotton industry, is preparing a final report.

They would like to make that report in person before a formal hearing of the Senate Agriculture Committee. They are prepared to come at any date you suggest.

They are unanimous in their support of your bill.

Enclosed is a copy of an editorial we used several days ago concerning the Talmadge bill. Tomorrow we are using a news story from the Atlanta Constitution concerning the introduction of your bill.

We are ready to go to bat in behalf of your measure in any manner you may suggest.

Thanking you and awaiting your reply, we are,

Sincerely yours,

BARRETT C. SHELTON,

Publisher.

BRIDGES COTTON CO.,

Tuskegee, Ala., May 27, 1958.

Senator HERMAN E. TALMADGE,

Senate Office Building,

Washington, D. C.

DEAR SENATOR: The Alabama members of the National Affairs Committee, representing the Atlantic Cotton Association, of which I am a member, appeared before the State of Alabama Legislative Agricultural Committee on May 23, 1958. We heartily endorsed the agricultural five-point program as presented by you.

For your information, on February 26, 1958, I wrote the Alabama Senators and Congressman GEORGE ANDREWS letters outlining a similar program to the one you have offered and I am enclosing a copy of this letter for your information.

I sincerely trust that you will be able to accomplish some legislation along the lines outlined by you, as it is the only thing in my estimation that will solve the farm program.

With kindest regards and esteem, I am

Yours very truly,

J. E. BRIDGES.

MAYBANK FERTILIZER CORP.,

Charleston, S. C., May 28, 1958.

Hon. HERMAN E. TALMADGE,

United States Senator,

Washington, D. C.

DEAR SENATOR TALMADGE: Please allow me to take this opportunity of congratulating you for the splendid remarks made to the United States Senate recently, on the subject of the present and future farm programs.

I have been allied with agriculture for over 35 years, and I have never seen conditions in the 2 States of North and South Carolina, in which we operate, in such a deplorable and chaotic condition. Our smaller villages and towns are terribly hard pressed, and not alone in the lines which directly touch agriculture. The "butcher, the baker, and the candlestick maker" are all in this together, and it only needs a few trips into the interior to bring out clearly what is happening.

Your plan advanced is simple, direct, and certainly far less costly to our economy than anything I have seen, and I am giving it all the help I possibly can, both by word of mouth and letters throughout our operating territory. Something must be done.

With all good wishes for your future success,

Sincerely,

AUGUSTUS T. CURTIS,

Treasurer and General Manager.

DALLAS, TEX., May 28, 1958.

Hon. HERMAN TALMADGE,

The Senate Office Building,

Washington, D. C.

MY DEAR SENATOR TALMADGE: I have read your speech and your proposal to Congress with reference to cotton. We are sorely in need of some legislation that will permit a larger amount of cotton to be grown and a competitive price to exist. It is obvious to everyone that the present price of cotton will lose its place as the No. 1 raw material for the manufacture of textiles.

It is also obvious that once this business is lost, it will be regained only at a great sacrifice. That is the history of all commodities through the ages.

I appreciate your taking this position on the subject, and appreciate your interest in introducing your bill. I think the entire cotton trade will be ever grateful to you for it. I hope that it will pass in one form or another. At the proper time we, in Texas, will certainly do everything we can to get our Texas Senators and Congressmen to support your ideas.

Yours very truly,

A. OWEN.

TUSKEGEE OIL & FERTILIZER CO.,

Tuskegee, Ala., May 30, 1958.

Senator HERMAN E. TALMADGE,

Senate Office Building,

Washington, D. C.

DEAR SENATOR TALMADGE: We wish to state that we hereby endorse the agricultural 5-point program as presented.

As you stated, such a program would eliminate redtape, accumulation of surpluses, cost the taxpayers less, and once more let the farmer be the master of his own destiny. We are farmers, as well as oil mill and fertilizer merchants.

We sincerely trust that you will be able to accomplish some legislation along the lines outlined by you, as it is the only thing, in our opinion, that will solve the farm program.

With kindest regards and esteem, we are,

Yours very truly,

J. O. YOUNGBLOOD, Jr.

NORTH CAROLINA COTTON

PROMOTION ASSOCIATION, INC.,

Raleigh, N. C., May 23, 1958.

Senator HERMAN TALMADGE,

Senate Office Building,

Washington, D. C.

DEAR SENATOR TALMADGE: This cotton organization has adopted a basic principle relative to cotton legislation which would be of benefit to this State which is identical with the principles embodied in S. 3408, which contains your proposals for an agricultural program.

We want you to know that we are keenly interested in your proposals, and in perfect agreement with them. Insofar as we are able we will lend support to it.

We are in constant contact with Mr. J. M. Gloer, executive vice president of the Atlantic Cotton Association, relative to the progress of this bill.

Please accept this as an expression of appreciation for your forthright, able, and valuable efforts in behalf of agriculture as a whole, and cotton in particular in the present Congress.

Very sincerely yours,

FREDERIC H. HEIDELBERG,

Executive Vice President.

ROBERT MOORE & Co.,

New York, N. Y., May 14, 1958.

Hon. HERMAN E. TALMADGE,

Senate Office Building,

Washington, D. C.

DEAR SENATOR: I wish to take this means of commending you for the splendid address you delivered in the Senate on April 23 concerning our farm program. You have certainly highlighted the ills that currently are plaguing our cotton economy and your recommendations should receive a full measure of study by every sober-minded Senator and Representative. As a matter of fact, I certainly believe that your plan should receive priority over the hodgepodge omnibus plan that they are now trying to put together. A compensatory payments plan, such as you have offered, is by far the most satisfactory plan for our cotton economy at this time.

Am enclosing a couple of copies of our last two cotton comments for your perusal. Will appreciate a line from you, giving your



evaluation of these comments, when your time permits.

Sincerely,

WM. C. HOPE.

JOHN S. McRAE & Co.,  
Greensboro, N. C., May 15, 1958.

Hon. HERMAN E. TALMADGE,  
United States Senate,  
Washington, D. C.

MY DEAR SENATOR: I have seen a copy of your recent remarks in the Senate with reference to cotton legislation. It is certainly refreshing to find such commonsense, and I sincerely congratulate you. I think farm legislation, particularly with reference to cotton, has been conducted in a fog for several years, and I certainly hope that your efforts will let a little sunshine in.

I think the records of the various hearings for years have shown that the most practical and economical method of handling this intricate problem would be compensatory payments.

Thanks again and with all good wishes.

Yours very truly,

JOHN S. MACRAE.

TORBERT-CARROLL HARDWOOD CO., INC.,  
Hurtsboro, Ala., May 9, 1958.

Hon. HERMAN E. TALMADGE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR TALMADGE: I appreciated and enjoyed your letter of May 3.

I thank you for sending me a copy of your remarks on the farm program and I heartily agree with every word that you said. This is the best worded report I have ever seen. I sincerely hope that at least part of this will be carried out.

With best regards, I am,

Yours very truly,

LEW TORBERT, President.

W. D. LAWSON & Co.,  
Gastonia, N. C., May 13, 1958.

Senator HERMAN E. TALMADGE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR TALMADGE: Let me congratulate you on the remarks which you made from the floor of the Senate in regard to the constantly encroaching Government regimentation on the farmers of the United States. I am heartily in agreement with every word which you have said.

It is deplorable to watch once prosperous small towns in the cotton sections of the South wither and die. This has been a slow death until the Soil Bank came into being. This has accelerated the deterioration of the farm communities. Gins, warehouses, small country merchants, cottonseed oil mills, and many others have been badly hurt. Unless something is done to eliminate Government regimentation of the farmers, I shutter to think of the consequences.

It is a peculiar state of affairs that Congress is so concerned over the rise in unemployment and at the same time they pass legislation which probably contributed more to unemployment than any other factor; namely, the Soil Bank.

I am enclosing a copy of a letter which I wrote to Secretary Benson in June 1954, which I think contains many of the points which you made in your speech.

It is refreshing to find a Senator who has a mind that is able to grasp the problem of the cotton farmer under Government regulations. It is my earnest hope that you will continue doing all you can to see that the 85th Congress will pass a long-range farm program that will be fair to the farmer.

Very truly yours,

W. D. LAWSON.

CLARK, BOWLING & CANDLER,  
Montgomery, Ala., May 13, 1958.  
Senator HERMAN TALMADGE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR TALMADGE: Mr. J. M. Gloer, of Atlanta, has furnished me with a copy of your remarks recently to the Senate on the farm question. It is indeed gratifying for those of us who are vitally interested in cotton to find that we have such a strong friend in the Senate. Members of the Atlantic Cotton Association, as you probably know, heartily concur in your thinking that a compensatory payment plan is the answer to the cotton question. You may rest assured that we will lend you all the support we can in order to get legislation through for the 1959 crop.

Sincerely,

RANDOLPH CANDLER.

ANDERSON, S. C., May 7, 1958.  
Hon. HERMAN TALMADGE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR TALMADGE: I have just read your proposal for new farm legislation. I believe your plan would come nearer solving the problems of the farmer in the Southeast than anything that has been tried yet. It would let farmers who want to farm, farm with some prospect of making a living at it. It would save small business depending on farm trade from strangulation by the soil bank.

It seems to be Mr. Benson's idea to abolish the small farmer. Your plan would give the farmers of the Southeast a chance to prosper again.

Yours very truly,

W. H. FARMER.

P. S.—I have 10-acre cotton allotment.

ANDERSON FERTILIZER CO., INC.,  
Anderson, S. C., May 7, 1958.  
Hon. HERMAN TALMADGE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR TALMADGE: Your proposed reorganization of the farm legislation, about which I have read with much interest in the press, seems to me to be a sensible plan. As you probably know, the present legislation is rapidly destroying all small business in the Southeast which is set up to serve the farmer, as well as country merchants and others who are dependent upon this business from the rural areas.

I am satisfied that what we need in this country is more people to go to work and fewer people to be paid by the Federal Government not to work. A strong economy can never be built up by paying people to do nothing.

Your plan would also revive the cotton textile industry which is slowly being smothered under the present farm program.

Yours very truly,

GEO. W. GAGE.

JOSEPH WALKER & Co.,  
Columbia, S. C., May 6, 1958.  
Senator HERMAN E. TALMADGE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR TALMADGE: I have just seen a copy of your remarks on the floor of the Senate relative to the current farm program and offering a bold approach to the dilemma that we face.

May I congratulate you on the completely realistic and forthright way you have faced up to the miserable mess in which we find ourselves.

I know that your approach is sound and workable. It is the quickest, cheapest, and most effective way to get our agriculture back

again on the path of sound and lasting prosperity.

I have lived with the cotton problem for many years. I can tell you from personal knowledge that unless something is done and done right now to allow cotton to sell at a competitive price, that our cotton farmers will see wholesale desertions next season by their best customers, the domestic mills, to the synthetics. I know of many mills in this locality that are considering going on rayon, either wholly or in part, simply because they cannot hope to spin cotton at the artificial price which it will bring in the 1958-59 season. These losses to the synthetics have been going on for a long time. We have been holding an umbrella in the shape of our artificial price props over the big chemical combines under which they are researching our cotton farmers out of business.

The farmer must be compensated for the inequity of his situation; to that all are agreed. District compensatory payments are the best way to do it in spite of the fact that the professionals of the big farm organizations and, apparently, Mr. Benson are opposed.

In my judgment if you persist in your point of view, you will discover increasing support throughout our Southland and will earn the gratitude of all our citizens for the restoration of the great cotton industry to health and service to our Nation.

Sincerely,

JOSEPH WALKER, JR.

FARMERS INDEPENDENT WAREHOUSES,  
Lake City, Fla., April 26, 1958.  
Senator HERMAN E. TALMADGE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR TALMADGE: May I congratulate you on the magnificent speech you made in the United States Senate, as reported by United Press April 23, 1958.

Since reading the newspaper account of your speech I have discussed it with every farmer I have had the opportunity of talking with, and they expressed themselves as being heartily in accord. They agree that the present program has been a miserable failure and that your suggestion certainly does indicate a bold and realistic approach.

Perhaps you will agree that the small tobacco farmer of south Georgia and north Florida really has no program at all. He has consistently been punished for the sins committed by growers in other States. It was my privilege to attend, by invitation, a tobacco meeting at South Georgia Junior College in Douglas last fall, at which time it was indicated, just as you have said, the small farmer for whom farming is a way of life, has been forced off the farm. Now he is being laid off or working only part time in the small manufacturing plants that have come to our small communities the past few years. The pulp and paper mills of south Georgia and north Florida are, or so I am informed, working only part time.

Senator, I have been a resident warehouseman of Lake City for the past 18 years. Prior to that time I operated in Hahira. I was born on a tobacco farm in Tennessee and have operated warehouses in every State in the Southeast that sell tobacco at auction, with one exception. I have also bought tobacco for both foreign and domestic trade. I have friends with the buying companies, some of them in high places of responsibility and some of 25 to 30 years duration, all of whom have been telling me for the past 20 years that type 14 (Georgia-Florida) flue-cured is not being grown in sufficient quantities to supply world demand. Even more important is the fact that most of our growers do not have enough allotment to afford their families a decent living, only a bare



existence. I do not have to tell you that they are folks who do not have enough land for large cattle ranches or other farming opportunities.

Please let me know if I can in any way assist in getting your plan to the small farmers in north Florida. In the past the farmers have not been sufficiently informed by the so-called farm program as related to world markets.

In conclusion I would like to say that I know that you are a member of the Senate Agriculture Committee and that you have perhaps gained more recognition in a short time than any United States Senator of modern times.

With kindest regards and best wishes,  
Very truly yours,

W. R. CARTER.

P. S.—May I have a copy of the Senate speech referred to?

W. R. C.

Mr. TALMADGE. Mr. President, the bill to which I refer is my compensatory payment plan based upon allotment of the farmer's pro rata share of basic farm commodities for domestic consumption. In other words, Mr. President, under it Farmer Jones' share of the domestic cotton allotment would be allotted to him in bales of cotton. In that way, Mr. President, we could control production by units of measurement rather than by acres.

It has been demonstrated, Mr. President, during the last twenty-odd years, that an allotment by acres does not necessarily control the production of wheat, corn, cotton, tobacco, peanuts, or any other basic farm commodity.

The reasons we fail to control production on an acreage basis are that some farmers are more efficient than others, some soil is more fertile than other soil, some farmers use more fertilizer than others, and some farmers use more insecticides than others.

The only way we can hope eventually to control the production of basic farm commodities in America is by changing the method of allotment from acres to bales, bushels, pounds, and other realistic units of measurement.

Mr. President, the farmer's share of these basic farm commodities for domestic consumption ought to be supported at 100 percent of parity. If 100 percent of parity is a fair price, why should the farmer be required to take less than a fair price for commodities to be consumed in a nation where we have minimum wage laws, the collective bargaining power of unions, inflation running rampant, and continually rising costs?

Yet we are told by the Secretary of Agriculture and the White House that while everything else is going up, up, up, the price for everything the farmer sells must go down, down, down.

We must understand, Mr. President, that in the United States of America we have the world's highest standard of living. We must produce farm commodities not only for domestic consumption but also for export. We cannot expect the farmers of America who produce farm commodities for domestic consumption to have to compete with the farmers of India, Pakistan, Brazil, Turkey, Egypt, or other countries which have low standards of living. To do that Mr. President, would mean bringing the standard of living of the farmers of the

United States down to the level of overseas living standards.

Mr. President, my compensatory payment plan would let all farm prices seek their own levels. In that way we could have complete freedom to export without need for a Public Law 480. We would not need to have the Government doing the buying. We would not need to have the Government doing the warehousing. We would not need to have the Government doing the selling. We could let all the farm commodities seek their own price levels, and on each farmer's share of the national domestic market, we could guarantee compensatory payments of the difference between the market price and 100 percent of parity.

Then, after each farmer has a guaranteed income on his share of the national market, we would give him freedom to farm. If he wanted to plant more cotton, he could plant more cotton. If he wanted to plant more tobacco, he could plant more tobacco. He could plant more peanuts, more wheat, or more of any other farm commodity he might wish to plant.

On the remainder of his product which would go for export, the Government would give no support. The responsibility for selling it on the world market would be returned to the farmer and private enterprise where it rightly belongs.

In that way we could take the Government out of the warehousing business, out of the buying business, and out of the selling business. Taking the Government out of the warehousing business alone would save the taxpayers \$1 million a day.

I asked the Library of Congress to prepare figures showing the cost of supporting all basic farm commodities, except corn, at 90 percent of parity. The figure was placed between \$1,200,000,000 and \$1,600,000,000; yet according to the Secretary of Agriculture, at the present time we are spending \$3¼ billion on all agricultural programs.

The trouble is that the farmer does not get the money.

I asked Mr. Casso, economist for the Senate Committee on Agriculture and Forestry, to do some further research on the cost of my plan. According to his figures, for \$4,200,000,000 we could support all basic farm commodities for domestic consumption at 100 percent of parity, even if the price level dropped as low as 45 percent of parity.

What would my plan do?

First, it would give the farmer complete freedom to farm.

Second, it would guarantee him a fair share of the national income.

Third, it would let commodity prices seek their natural levels.

It would allow us to produce in abundance, not only for the domestic market, but also for the export market as well.

Some have criticized the plan as being socialistic.

Some have referred to it as a Brannan plan.

It is not a Brannan plan at all because the Brannan plan would have regulated the production and marketing of all farm commodities from seed to consumption.

On the contrary, this program would restore farming in the United States to a free enterprise base. It would give our farmers complete freedom to plant as much of any product as they might desire and, on their share of the national domestic consumption, would guarantee them 100 percent of parity.

There is nothing wrong with that. It is only fair and is nothing more than the equivalent of labor's minimum wage and industry's tariff.

My bill is pending before the Senate Committee on Agriculture and Forestry at the present time. However, I realize that with the present attitudes of the White House and the Secretary of Agriculture being what they are, we have no chance whatever of passing that bill at this session of Congress. But tonight, with the wool amendment, we passed an identical measure for the benefit of the country's wool producers. We have had such a measure on the books for some years. It was recommended by the President and the Secretary of Agriculture.

After I introduced this compensatory payment plan the Secretary of the Interior, Mr. Seaton, went before the Committee on Interior and Insular Affairs and recommended an identical plan for mineral producers. I am referring to producers of lead, zinc, tungsten, and copper. Mr. President, if that sort of plan is fair for those who produce minerals, why would it not also be fair for those who produce corn and wheat? If that sort of plan is fair for those who produce wool, why would it not also be equally fair for the man who produces cotton? Frankly, Mr. President, it is the only means by which the farmers can receive their fair share of the national income.

Now, I wish to address myself to the pending bill, S. 4071, upon which we shall vote momentarily.

It is by no means an ideal farm bill. On the contrary, there are many aspects of it which are extremely distasteful to me.

The only good thing I can say about the bill is that it is better than no bill at all.

I shall address myself specifically to cotton.

The national cotton allotment this year is about 17,600,000 acres and the present law expires this year. The Secretary of Agriculture already has announced that, unless the present law is extended or a new law is enacted, he will act under the old law fixing the cotton acreage quota at 14,200,000 acres.

What would that mean? It would mean a 20 percent acreage reduction for every cotton farmer in the United States. And I submit to you, Mr. President, that the cotton farmers already have had all the acreage reduction they can possibly stand.

In Alabama, for example, 83.3 percent of all the cotton acreage allotments are 10 acres or less. In my own State of Georgia 76.9 percent of all the cotton allotments are 10 acres or less. In the State of North Carolina 89.6 percent of all the cotton acreage allotments are 10 acres or less.



Almost 50 percent of the cotton acreage allotments in my State of Georgia are 5 acres or less.

That means that the principal cash crop of those who till the small, family-size farms of Georgia amounts to less than \$600 a year for each family. That is their gross income from their principal farm crop.

These people live useful lives and make useful citizens. They live on, small farms which most of them own themselves. They grow gardens as their principal source of food. Most of them have a milk cow, hogs and some chickens. They are God-fearing, hard-working people who make a living by the toil of their hands. They do not ask anyone for anything except fair treatment. And, yet, they are the same people who will have to take acreage reductions of 20 percent on their cotton allotments unless we pass some legislation for their benefit this year.

These people in my own State of Georgia to whom I refer have their counterparts throughout the entire traditional Cotton Belt from Virginia to Texas. Many similar persons will be found in the southwest, in the new cotton belt which has been developed only recently.

To suffer that sort of acreage reduction, would mean that those good, God-fearing, hard-working people would be driven from their farms because their allotments would have been reduced beyond the level of minimum existence. They would be forced into the cities to add to the already high unemployment rolls and to compete for scarce laboring jobs for which they are ill qualified.

This particular bill fixes a national cotton acreage allotment of 16,310,000 acres. In other words, it would give our cotton farmers more than 2 million additional acres of cotton as compared to what they would get if no bill is enacted.

That is the only feature which makes it at all attractive.

The Senate Committee on Agriculture and Forestry, in connection with an amendment which I offered and which was supported by Democratic and Republican members alike, has provided in this particular bill that cotton farmers with allotments of 10 acres or less will not take a reduction under the act. That will mean that cotton farmers who have allotments of 10 acres or more will take acreage reductions of something like 10 percent instead of the 20 percent which would be the case in the absence of any new farm legislation this session.

The PRESIDING OFFICER. The time of the Senator from Georgia has expired.

Mr. MANSFIELD. Mr. President, how much additional time would the Senator from Georgia like?

Mr. TALMADGE. Mr. President, I ask unanimous consent to be permitted to speak for another minute.

Mr. MANSFIELD. The Senator from Georgia may have 5 more minutes on the bill.

The PRESIDING OFFICER. The Senator from Georgia is recognized for an additional 5 minutes.

Mr. TALMADGE. Many of us were therefore placed in the unfortunate dilemma of having to support legislation which we did not desire.

The pending bill is by no means perfect.

I have voted against amendments on the floor of the Senate tonight which, ordinarily, I would have liked to support. I voted against them because of the continued threats of the Secretary of Agriculture that the adoption of certain amendments would result in the bill being vetoed.

In other words, this bill has been written in the very shadow of a White House veto.

The bill does not represent desirable legislation, but it is better than no legislation at all. Therefore, I say, let us pass the bill, bad though it be, and thus salvage what we can from a bad situation. Let us hope that, Mr. President, in the not too distant future, when there is a more favorable climate in the White House and in the Department of Agriculture, Congress can pass farm legislation which will be of benefit to the unfortunate people who receive the lowest income of any group in America, our farmers.

Mr. President, I yield the floor.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the senior Senator from Georgia.

Mr. RUSSELL. Mr. President, I wish to compliment my distinguished colleague for the presentation he has made this evening. He well knows that the small farmers in the cotton-producing areas are being liquidated by the present policies of the administration and the Department of Agriculture.

I am heartsick to contemplate the bill which is called a farm bill. It is a real problem to determine whether it is worthy of support. However, because the amendment which was proposed by my colleague and accepted by the committee and which is designed to protect farmers who have 10 acres or less in cotton allotments, I shall support the bill.

I wish to pay my very highest tribute to my distinguished colleague for offering the amendment, which makes this bill at least palatable to those of us who represent the States of the old historic cotton-producing area.

Mr. KNOWLAND. Mr. President, I yield 10 minutes to the Senator from Iowa.

Mr. MARTIN of Iowa. Mr. President, the extended speeches to which the Members of this body have been subjected during the past few days have been notable for at least one thing—the frequent use of facts to reach conclusions not proven by the facts used.

Some statements made during this long debate have distorted the true picture in agriculture. This has been done in a variety of ways.

It has been especially significant to me that in attempting to minimize the accomplishments in agriculture under the Eisenhower-Benson administration, comparisons have been made with the years of the Korean war.

It should be unnecessary to spend any time reminding the Members of the Senate of the Korean war casualties that are basic statistics which must be figured into the farm price picture of 1951. Note that the year I have referred to is the year 1951 when the early impact of the Korean war held farm prices up briefly. Long before the end of the Korean war, however, farm prices had started to skid downward because the Korean war did not increase appreciably the world demand for red meats, nor did that war reduce appreciably world production of agricultural commodities other than rice.

It is inconceivable for me to understand how anyone can attempt to fool the American people with a comparison of wartime prices and income with our peacetime prices of 1958. I cannot imagine that the gentlemen who have spent considerable hours discussing these war-induced prices would favor a repetition of the circumstances which stimulated the above-average wartime prices. I am a firm believer that the farmers of this country prefer the record high peacetime prices which they are receiving today and with their boys at home riding a tractor rather than riding a tank up some dusty hillside in Korea.

Now I want to say that this Republican administration does not have to rely on the immense demands of war to develop a sound, reasonable, and good price structure for the farmers and ranchers of this country. The facts prove that income per person on farms from all sources was \$967 in 1957, the second highest on record, 8 percent higher than in 1956 and the highest since the Korean war.

But, in addition, this income per person on farms during 1958 may well set a new all-time record, in war or peace. I repeat, income per person on farms may well set a new all-time record in 1958.

Realized net income of farm operators in the first half of 1958 was at an annual rate of approximately \$13.3 billion—22 percent higher than in the first half of 1957. The increase from a year earlier was the greatest since the end of World War II, when price controls were eliminated. Gross farm income in this period was the highest on record.

I could keep the floor for several hours to list the true facts which refute and repudiate the reckless charges that have been voiced here since Wednesday, but such action is not necessary when we examine the facts and evaluate the unfair comparisons which have been made by opponents of sound beneficial farm legislation.

If some Members of this body wish to return to a state of war to create the prices upon which they have been basing all their comments, then let them be more specific. I hope they will be big enough however, and I believe that they are, to join with the majority and pass this needed farm bill.

It is possible there are some who will vote against this basically good farm bill which we will pass as soon as the oratory subsides. Some of these negative votes may be stimulated by the detailed listing of wartime prices to which we



have been subjected. Remember the cause for those prices—war. It was the impact of war which brought the high prices of 1951 and it was war also that took its toll of the lives and limbs of American boys—American boys from New York, Chicago, and Los Angeles, and from the farms of Iowa, Indiana, Nebraska, and Idaho.

As for me, my vote will be cast for sound, beneficial farm legislation that will enable this administration in peace time to make even further advancements in our agricultural economy.

Mr. JOHNSON of Texas. I yield 2 minutes to the Senator from Tennessee.

Mr. GORE. Mr. President, today I voted against several amendments which I regarded as meritorious. I regret that the unfortunate situation in which I found myself required such action. The President of the United States has already vetoed one agricultural bill. We are near the end of this session of Congress, and there still remains the necessity of enacting a farm bill in order to avoid extreme suffering and hardship, particularly by the family-size farmer.

Therefore, I have preferred to support the bill as it emerged from the committee, in the belief that thereby there would be afforded the best opportunity of enacting a bill, not such a bill as I should like to see enacted, but, since we are over the barrel, the very best we can pass under the circumstances.

The PRESIDING OFFICER. The Senator from California has yielded 10 minutes to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, in a few minutes the Senate will pass the present farm bill. But before that happens, however, I think it is well that the country should at least know what the forces are which are working for the passage of this bill.

First, it is quite clear that the administration is determined to destroy price supports and production controls; that it is determined to do this as quickly and as effectively as possible; that it would like to do so on a wholesale scale for all commodities; but fearing that to carry out such a wholesale plan immediately would perhaps range the Senate against it, it wants to proceed commodity by commodity, picking out the weakest spots and punishing them, making temporary alliances, and then, when those alliances are no longer needed, probably their allies also will have their throats cut.

I believe the administration is thoroughly sincere in what they are doing. I am not questioning their sincerity for a minute. They are supported by other sincere Senators on the Republican side of the aisle who do not believe in the program of production controls and price supports. They will have, with the exception of some Senators, an almost solid phalanx of their party behind this program.

Then they faced our southern friends, as has been stated, with a very great dilemma. As the Senator from Tennessee [Mr. GORE] has said, and as the Senator from Georgia [Mr. TALMADGE] has made clear, the administration has the cotton States over a barrel. If no

bill is passed, cotton acreage will be cut. If a bill unsatisfactory to the administration were passed, it would result in cotton acreage being cut. So by blackmail, they compelled the southern Senators to join them. As the price of joining, they succeeded in getting southern Senators unwillingly to scuttle all other attempts to bring other commodities in.

I wish to say here and now that I do not blame any southern Senator whatsoever for supporting the bill. The southern Senators did so under duress. It has been made perfectly clear that this is why they acted.

In order to get more votes, the administration had rice included in the bill. They protected rice at 75 percent of parity, as cotton was being protected at between 75 and 80 percent of parity. Then, realizing that they still probably did not have enough votes, they sought support from the wool States, and promised protection for wool at 106 percent of parity; or, if the revenues were insufficient, at 85 percent of parity.

The people who were left out were those of the great upper basin of the Mississippi. There is nothing in the bill for them. There is virtually nothing in the bill for corn, because the \$1.10 a bushel, with no limits on production, is only 62 percent of parity.

There is nothing in the bill for dairy products. The bill is a direct blow at soybeans, because as more cotton is produced, cottonseed production is of course also increased, and hence more cottonseed oil will help to drive down the prices of soybean oil and soybeans.

So the bill, in my judgment, is disastrous for the upper Mississippi Valley.

The extraordinary feature is that this is the region which gives the Republican Party its great strength and that its representatives are faithful to a party which is not faithful to them.

I am therefore opposed to this bill. I think the Senator from Georgia [Mr. TALMADGE], in his brilliant speech, has indicated some of the lines along which we must move in the future. But I think it is time for those of us to have the interests of all of agriculture at heart, and who especially represent the farmers who produce corn, soybeans, wheat, and dairy products, to indicate our disapproval of this slaughter of our farm program.

I believe the administration is riding for a great fall. There will be no limits on the production of corn. There is a huge wheat crop. With the inelastic demand for farm products, where an increase of 1 percent in the quantity of farm products will cause a decrease of probably 3 to 4 percent in the price per unit, this means that the farmers will receive a smaller gross income for a larger total crop and have a still smaller income.

I predict that these chickens will come home to roost, if I may use that expression, either this fall or next year.

While the forces on the other side of the aisle, and their unwilling allies on this side of the aisle will win a temporary victory this evening, the ultimate test is what will happen to the price of

corn, the price of hogs, the price of livestock, the price of wheat, the price of soybeans, and the price of dairy products?

My own prediction is that the bill will prove to be disastrous to the interests of the great agricultural sections of the country which I, in part, represent. But this is a matter for the future, and that alone can tell.

I merely felt it was my duty to record what I regard as the moving forces in what we have seen going on for some days, and to say that, in my judgment, this is a disastrous bill, especially so for the farmers of the upper Mississippi Valley.

Mr. JOHNSON of Texas. Mr. President, I yield 10 minutes to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I wish, first, to compliment the distinguished junior Senator from Georgia [Mr. TALMADGE] for the excellent address he delivered, and for the very able manner in which he dealt with the farm problem. He has well described, I think, the dilemma in which many of us found ourselves.

I compliment him, too, for the amendment which takes care of the little cotton farmer who has 10 acres or less, without taking away from the other farmers, because a special fund is created—310,000 acres—to help the small farmer.

I wish to ask a question about one other matter: about the little cotton merchant. We have the great cotton merchants who carry on the export business. But the average town in the cotton area has always had its cotton marketed by the little, local cotton merchant.

In this bill, it seems to me, the Government is about to become the sole cotton merchant, except for the mass movement. In other words, it seems to me that the little man is being squeezed out of the cotton business. I wish the Senator from Georgia would comment on that question and tell us whether that is true. Will the little cotton merchant be pushed out of business?

Mr. TALMADGE. I thank the distinguished Senator from Alabama for the generosity of his remarks. I certainly compliment him as one of the outstanding farm leaders in Congress. He is always diligent in his efforts to protect farmers, particularly the small farmers. One of the features of the bill which I dislike provides that the A-type cotton farmer shall market his cotton to the CCC through a purchase plan. A great many small cotton buyers, particularly those in the Southeast, have been concerned and alarmed about that feature.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. JOHNSON of Texas. I yield 1 additional minute to the Senator from Alabama.

Mr. TALMADGE. Some cotton buyers from Alabama and also Georgia visited my office to look into the matter. I called Assistant Secretary of Agriculture Marvin L. McLain and made an appointment for them to see him.



They returned and reported that Mr. McLain was sympathetic to their particular plight. It was a matter which they felt could be handled administratively through the Department of Agriculture. I hope it will be taken up and will be handled administratively to the degree that cotton will still move in the normal cotton channels, rather than find its way into Government warehouses through Government purchases.

Mr. SPARKMAN. Then the Senator believes, as I understand him, that the matter can be handled administratively.

Mr. TALMADGE. Mr. McLain has indicated that that will be his purpose. He has said he is sympathetic to the problem and hopes he can reach a solution which will protect their interests. They went home well pleased with the conference.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the junior Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I wish to use these few moments to say, first of all, to the chairman of the committee, the distinguished senior Senator from Louisiana [Mr. ELLENDER], that I appreciate the courtesy he has extended to me, as one member of the committee.

He has known of my different views on many of the phases of the bill.

During the time when the bill was before the committee, he was very considerate, and gave us an opportunity to present our views, in detail, on any matter. Amendments were offered and considered—although regrettably, from my point of view, many of the amendments were not adopted.

However, in the committee the bill was improved. I have commented on those improvements in discussing the feed-grain amendments.

I also wish to commend the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], for the courtesies he has extended and the spirit of cooperation and comity which he always exhibits.

Mr. President, tonight we are witnessing what might be called the final chapters of the breakdown of a great farm program. The first blow at this program was in 1954, and then in 1956, and now again in 1958. I want the Senate to remember that since 1952, farm surpluses have grown every year, the cost of the farm program is now  $5\frac{1}{2}$  times greater than it was in 1952—it is now more than \$6 billion a year—but, despite all that, there are now fewer farmers, fewer farms and, although the volume of production has increased, the gross income has decreased—debts have increased, and net income has fallen. The only reason that the per capita income appears to hold up, as compared to income in 1952, is because the per capita income has been increased due to Government payments. Prices for agricultural products are down, farm costs are up.

I remind my colleagues that while the farmers constitute a minority, they are a most essential minority.

I warn my colleagues not to fool with the farm economy, because those who do that are touching the heartstrings of the American way of life.

As the bill stands tonight, it is a repudiation of what was promised in the two party platforms. It repudiates the pledges of the Eisenhower administration. We have accomplished something in the way of improving the bill, for we have placed in it a provision reasserting the principle of parity, even though the principle has been stripped naked by the 60 percent of parity reference.

Mr. President, I did not come to the Senate to be satisfied with 60 percent of parity.

Can any person live on 60 percent of what he should have in order to provide for a proper living? Yet 60 percent of parity is the edict of doom by this Congress to certain segments of agriculture. It is unfair; it is unreasonable. It is the path to depression and trouble.

Mr. President, I sympathize with the Senators from the States in which cotton is produced; I want all my colleagues to know that. In fact, I said so in the first part of my remarks during the long session on yesterday. I said that I know the cotton producers in those States are "over the barrel"; they needed acreage, and I wanted to help them get the necessary acreage.

Earlier today, I proposed the unanimous-consent agreement, so the bill could be voted either up or down at a reasonable hour, for I believe in legislating; I do not believe in procrastinating.

But, I believe the bill is an unfortunate one. I believe that, in the long run, the bill will work great injury to the American agriculture and the entire economy.

What a tragedy it is that there has been no leadership from the administration. There has been only one thought in regard to agriculture, namely, lower prices and a hope for decreased production, so that perhaps thereby—through the operation of the principle of scarcity—there will be better prices in the market place. This is a fallacious theory, and a disastrous one.

I welcome the opportunity to debate with any person—either in the Government or outside it—on the proposition lower prices will reduce production. Mr. President, that is an erroneous proposition; it is false; and it has been proven so again and again and again. The income and production statistics prove the error of the administration's policy.

But what do we have from the Department of Agriculture, in the way of leadership and program? The Department of Agriculture recommends reduced prices, in the hope that, by means of the process of economic attrition and reducing the farm family numbers—finally, after more and more people have been driven from the land they love and the homes they have built, perhaps then there will be sufficient scarcity, so that prices will rise, and benefit the few who remain. What a cruel operation. It is beneath the dignity of the Government of this Republic. It is shameful.

Mr. President, I cannot accept such a philosophy or policy. I will not vote for a bill that I believe has within it provision for the cruel process of economic attrition.

I respect those who have to vote for the bill—those who are forced to vote for the bill. And I say to my friend, the Senator from Georgia [Mr. TALMADGE], who tonight made a magnificent address—that I know what the needs of his State are, and I know how hard he fought in the committee for the family farmers of his State. I respect him for what he has done. I realize that he is compelled by circumstances beyond his control to vote for this bill. I extend to him my sympathy and my understanding as I do to my other colleagues from the cotton and rice producing areas.

But, Mr. President, in the case of those who do not need to yield to the threat of veto and those who do not need to vote for this bill, I wait for the day when we shall be on the public platforms. I will be there, if the good Lord is willing to give me the strength to be there; and I will fight out this issue before the American people. They are just, fair, kind, and good. Then we shall see what their verdict will be, when they find that what we are offering them is more of the same bad medicine, more of the same pain and anguish. They who receive less and less return from an economy that expects more and more from them will not quickly or easily forgive what has been done to them.

That is my message tonight; and, on the question of the passage of the bill, I am perfectly willing to vote "No."

Mr. HRUSKA. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared on the pending bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR HRUSKA

It is my hope that S. 4071 will be approved by the Senate and, in due time, enacted into law. This bill treats of three of the basic crops—rice, cotton, and corn and the feed grains. Others are better versed than I in the problems of rice and cotton. Nebraska is a major corn producer, however, and in that regard, I should like to make a few brief comments.

For some time, it has been obvious that new legislation was needed regarding corn and feed grains. Acreage allotments for corn have been unworkable. This was shown by the general disregard of allotments which has developed, and also by the heavy production of oats, rye, barley, and grain sorghums by those who did comply with them.

There being no marketing penalties for corn, its acreage allotments have been enforced only through denial of price support and denial of Soil Bank payments. Such denials were not enough to do the job. They have not been effective.

Corn is largely fed on the farm where it is raised. Denial of price supports furnishes no incentive to comply with acreages. By far the greatest percentage of corn raisers did not comply.

Those who did comply turned to two avenues to overcome the small acreage allotments: (1) They resorted to every device to increase production, to use the very best of seed, and high power fertilizer, and to irrigation wherever possible; (2) they put old corn acreages into sorghums. As a result, more total feed (corn plus feed grains) was raised. The purpose of the program was thus defeated.

Another very bad and confusing factor arose from establishment of commercial



corn-producing areas within which acreage allotments were imposed. Often it would happen that neighboring farmers, with a road between them, and in different counties, would have a difference of as much as 25 cents per bushel. This is not conducive to good administration. It is very confusing.

Briefly, S. 4071 removes the designation of commercial corn counties. It removes acreage allotments beginning with the 1959 crops. Support prices for corn would be established at 90 percent of the average price for the 3 preceding years, but not less than \$1.10 a bushel. While this price is below present rates, the farmer's income may be increased because of his freedom to plant larger acreages.

Also, beginning in 1959, price supports would be made available for oats, barley, rye, and grain sorghums. They will be at such levels not less than 60 percent of the parity price therefor, as is fair and reasonable in relation to price supports on corn. In determining what is fair and reasonable in this regard, the Secretary of Agriculture shall take into consideration the feeding value of each feed grain in relation to corn, their normal price relationship, location and storability of the commodity, and other relevant factors.

One feature of this provision should be emphasized, in the light of the experience of corn farmers last year in Nebraska and other areas of the Midwest where excess moisture heavily damaged the crop.

The average price for the preceding 3 years will be adjusted to make it the average price of high-grade corn in good condition so that the farmer will not be penalized for the fact that, under certain climatic conditions, there may be wet or soft corn which sells below the market price.

This bill is not a comprehensive one. It does not pretend to be, nor is it, free from criticism as to individual provisions.

But it is a fresh approach. It appears to be sound as far as it goes. It should be given a fair trial.

It is my hope that the Senate will approve S. 4071 and that the other body will be given a chance to duly consider and act upon it as well.

Mr. STENNIS. Mr. President, I should like to be yielded 1 minute.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Mississippi.

Mr. STENNIS. Mr. President, many have labored long and hard on the bill.

I wish especially to commend the distinguished senior Senator from Louisiana [Mr. ELLENDER]. He is one of the busiest Members who serves in this body, and he works on perhaps more subjects than do many of the other Members. I know that in connection with this bill he has had many heart-rending experiences and many disappointments; but he has labored on and on. All of us are greatly indebted to him.

I also wish to commend the Senator from Georgia [Mr. TALMADGE] for his very vigorous efforts in the committee, even though at first the results were highly discouraging. He was assisted by other members; but he took the brunt of the burden, and he took the lead, and he fought the good fight, for the inclusion of the so-called 10-acre provision.

That provision will not help anyone much, but it will help a great many to some extent. It will affect more than 66 percent of all the cottongrowers in the entire Nation, and, in the case of some States, as many as 89 percent. Those little farmers have had their al-

lotments trimmed down and whittled away and kicked around; and they have been put at the boot end of all the farm programs, until now they are below the existence level, so far as the production of cotton is concerned. It is true that the 10-acre provision will not help them a great deal, but it will help them some.

So I highly commend and thank the junior Senator from Georgia, too.

Mr. President, I ask unanimous consent to have a statement prepared by me, in regard to an amendment I offered, printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STENNIS IN SUPPORT OF AMENDMENT TO DELETE STATE ACREAGE FREEZE FROM THE AGRICULTURE BILL

Under the present law, the national allotment is allocated to States on the basis of State history during a 5-year period. In the case of 1959, each State would receive a cotton allotment based on acreage history during the years 1953, 1954, 1955, 1956, and 1957. Under this procedure, the oldest history year is dropped each season and the latest past year is added in computing the new allotment base. This formula has resulted in wide shifts between States, and, unfortunately, this system has worked to the disadvantage of many States during the past several years.

At a first glance, it would appear that the States which have lost acreage over the years would benefit from a State acreage freeze. However, after careful study of the situation, I find that the present law will in future years, favor most of the States who have lost acreage.

The effect of freezing the State allotment at the 1958 level would actually prevent many States in the Southeast from regaining acreage in future years.

The proposed acreage freeze would prevent the Southeast from gaining 81,000 acres in 1959, and in the case of my own State we would be denied about 22,668 acres in 1959, 27,836 acres in 1960, and 12,973 acres in 1961. Cotton acreage planted in Mississippi in 1958 is estimated at 1,200,000 acres. This is the smallest cotton acreage there since records began in 1866. Our acreage in Mississippi this year is 40 percent less than the 10-year (1957-56) average. Of course, the Soil Bank is responsible for some of this reduction. However, this clearly illustrates the serious acreage problem confronting many of our cotton States.

I hope the amendment will be adopted by the Senate.

Mr. STENNIS. Mr. President, I also ask unanimous consent that a statement prepared by me on the bill be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STENNIS

Since early January 1957 I have advocated a farm bill that would include acreage allotments at the 1957 and 1958 level of 17.5 million acres as a minimum. I have done this on the Senate floor and in committees and in discussions with my colleagues. In this, I was realistic enough to say at the same time that if necessary to get this much acreage I was willing to make some reasonable yield in the level of price support. I am still convinced that this cotton acreage of 17.5 million acres as a minimum should be in any bill that we pass. I yield on this point tonight only because of the direct threat of a veto of any bill with a 17.5 million acre allotment.

We have passed one farm bill this year. It met an Executive veto. We are faced with a 14 million acre allotment in 1959 unless some bill with a better acreage becomes the law. We are faced with the loss of the 4-acre allotment provision for small farms.

This bill before us tonight provides for a 16 million acreage allotment as a minimum.

This bill provides that all farms with 10 acres or less cotton allotments cannot be reduced below the highest of their planted acreage for either of the last 3 years. The bill provided an additional 310,000 acres over and above the national allotment to fulfill this provision. This is provided without any loss to any other farmer.

This 10-acre farm provision will apply to 66 percent of the Nation's farms, and will apply to as high as 89.6 percent of the farms in some of the States. The Senator from Georgia [Mr. TALMADGE] worked endlessly and effectively for this provision and deserves the thanks of each such producer for his splendid efforts. He has mine. This is a valuable provision of the bill. The benefits brought to any one person will not be great; but a great number of people will benefit some.

This bill provides a choice A and a choice B, each of which has some attractive features. But these provisions are temporary; they last only 2 years, 1959 and 1960.

After 2 years, we will be down to a 30 cent floor, with an allotment of only 16 million acres guaranteed. To have this number of acres assured is worth something. We preserve the principle of support at a parity level, even though that level, 60 percent, does not appear to be valuable now. The preservation of the principle of parity support levels is highly important, and highly significant. It is a sound and necessary provision of the bill, even though I greatly wish it could have been high. Only a threat of an executive veto kept this figure from being at a higher level.

In addition, there is some virtue in the bill, in that it is a small step forward in the problem of meeting competition, especially with synthetics. I wish it could have laid down the groundwork for an even longer range program.

With the experience of 2 years that will pass with this bill, we will be in a better position to appraise the entire problem as well as provide a better remedy.

With the greatest reluctance I shall vote for this bill. It really does not meet the short range nor the long range needs of the producer nor the consumer. It is passed under the threat of a Presidential veto to any measure more favorable to the producer. It is passed under the threat of the harshness of the present law as it will operate in 1959 and 1960.

I shall vote for this bill under the conditions outlined and for the reasons stated. I hope the experience of the years to come will aid us in passing a better program. We should begin now. This measure is wholly inadequate to meet the conditions.

Mr. JOHNSON of Texas. Mr. President, I wish to express my appreciation to the distinguished chairman of the Committee on Agriculture and Forestry, the senior Senator from Louisiana [Mr. ELLENDER], for the fine job he has done.

Mr. President, I would be less than frank if I did not say that I also express my appreciation to the distinguished junior Senator from Minnesota [Mr. HUMPHREY] for the contributions he has made, and also to the able junior Senator from Georgia [Mr. TALMADGE] for his fine speech and for the amendments he succeeded in having placed in the bill.

Mr. MANSFIELD. Mr. President—



Mr. JOHNSON of Texas. Mr. President, I yield one-half a minute to the Senator from Montana [Mr. MANSFIELD].

The PRESIDING OFFICER. The Senator from Montana is recognized for one-half a minute.

Mr. MANSFIELD. Mr. President, I, too, wish to join in the commendations to the able chairman of the committee, the distinguished senior Senator from Louisiana [Mr. ELLENDER], and also to the Senator from Minnesota [Mr. HUMPHREY], for the fight he has made in trying to bring some reason into this farm bill, because in his espousal of reforms needed to make the bill a more effective measure, he has, to a remarkable degree, helped those of us who come from the West and those of us who come from the Northwest.

I also wish to commend the Senator from Wisconsin [Mr. PROXMIRE] for the fine fight he made for the people of his State.

Those Senators have made a strong team; and we are proud of them, even if they were not able to have incorporated in this measure provisions for all the reforms they believe are needed.

Mr. GOLDWATER had previously said: Mr. President, in order to conserve the time of the Senate, I ask that a statement I have prepared on cotton provisions and on the agricultural bill in general be printed at the conclusion of the debate on the farm bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR GOLDWATER

For the past many months, evidence has been increasing that bumper crops, which are now ripening across the country, nearly assure a 15-percent increase in farm income for this year.

The unfortunate part about this, however, is that so much of this increase will be at the expense of the Department of Agriculture—and the American taxpayer. I think that it is high time that we got down to a sensible farm program which was based on free markets with a minimum of support, and that confined to emergency situations.

This year, the Department of Agriculture calculated that the American taxpayer would be tagged for the absurd sum of \$5 billion just to support the farm program. Unfortunately, original estimates are too conservative. The bonanza crops this year have caused the budget officials to revise this estimate by some 25 percent to the point that the American taxpayer will be asked to pick up the tab of some \$6.3 billion—more than the combined expenditures of the State Department and the Departments of Labor, Justice, Commerce, Interior, and Health, Education, and Welfare—just to support farm prices! It will probably top by a billion dollars the \$5.3 billion spent in the last fiscal year. All this in spite of the fact that the smallest acreage has been planted since before the turn of the century.

Not only that, but the surpluses in our bins and warehouses come to a frightening total. At the end of May of this year, the Government held some \$7.2 billion worth of farm products, in spite of the vigorous efforts of the Department of Agriculture which have substantially reduced these surpluses. If our farm program does not become realistic quickly, it will be impossible to reduce this surplus during the course of the next year and we will have some more startling amounts spent for storage, in spite of the hopeful calculation of just a few months

ago, that there would be only \$6.4 billion in the warehouses by the end of the next fiscal year due to the production controls and stepped up surplus disposal efforts.

It is just as simple as this. The farmers have been able to boost productivity faster than the Government can reduce acreage. Ten years ago, there was a total of 359 million acres under cultivation; 1958 crops cover only 330 million acres. Planting controls have caused cuts in acreage in wheat, corn, cotton, and tobacco, which together account for more than half the dollar value of a year's crops. An additional 28 million acres were placed in the Soil Bank, and these farmers were paid for not growing crops. Next year, the Soil Bank program is going to be abandoned, and there is going to be a need to take up the slack. It seems quite clear that if we are going to have a realistic program for our farmers, we must face competition. My farmers are pleading with me to let them do this.

Nationwide, in cotton, 17.6 million acres were planted in 1958, and nearly 5 million acres were put in the Soil Bank. The catch to this, however, is the bank's land was the poorest. Thus, while the cotton in cultivation was reduced to 12.4 million acres, the lowest acreage since the 1880's, the cotton yields from 1958 are going to be at least 10 percent above last year's average. So, on a 12 percent less acreage, we have a crop that is 2 percent smaller—which, under the present program, just spells further acreage cuts for next year. The only solution in sight is to get the Government off the farms and the farmer back into free enterprise.

Because S. 4071 is of such great importance to our farmers throughout the Nation, I wish to summarize a compilation of views I have received from farmers of my State who have been urging that a sensible cotton program be adopted.

I wish to point out at the beginning that the cotton program advocated by the Department of Agriculture, the views of my Arizona farmers and the provisions of this bill are almost completely in accord.

The problems the bill is designed to meet—insofar as cotton is concerned—are somewhat as follows:

First, it seems to be generally agreed that United States cotton must move and move rapidly in the direction of a price which makes it competitive with synthetics in the domestic markets, and with both synthetics and foreign-grown cotton in world markets. The proposal that the price support for cotton should be geared to the 3-year average market price is generally favored, and this appears to me to represent a realistic pricing policy, combining an element of stability with a recognition of competition factors.

Second, Arizona cotton farmers know that an increase in cotton allotment is necessary to insure that United States cotton may be prepared to enter world markets competitively and to win the markets that can be won on a realistic price basis.

Third, there is need for some permanency in cotton legislation. It ought not to be necessary for the Congress to be constantly dealing with the situation. Marketing of cotton cannot be effectively accomplished in an atmosphere of uncertainty as to what Congress may do.

This bill contains provisions which would result in increasing many farm acreage allotments. It would provide farmers a choice between two production adjustment and price support programs for the 1959 and 1960 crops. Under alternative (a) program, the farm acreage allotment and the level of price support would be that determined on the basis of present laws. The total farm acreage allotments would not be less than 16 million acres and after 1961, the parity support price will be 90 percent of the previous 3-year average. Under alternative (b) program, such farm acreage allotment would

be increased by 40 percent and the level of price support would be 15 percentage points below the support level determined under alternative (a). The additional acreage so allotted to farms would not be taken into account in establishing future State, county, and farm allotments.

The new program gives farmers an alternative for 1959 and 1960, allowing them to choose to participate under 1 or 2 plans.

Under plan A, all the farmer has to do is raise the allotted cotton acreage and the Government buys his crop at the announced support level.

Under plan B, the farmer may plant up to 140 percent of his computed allotment at a price support 15 percentage points below the group (a) support level.

Under plan A, the Government buys the cotton. This cotton can be sold on the domestic market, but the Government could not accept less than 110 percent of the plan B price support.

For example, if the current price support were 80 percent of parity, the plan A farmer would sell his cotton to the Government at 80 percent of parity. The Government, in disposing of cotton purchased under plan A, would be authorized to accept not less than 110 percent of the plan B support level, or approximately 71.5 percent if it should choose to sell on the domestic market.

It is anticipated that the United States market price will remain reasonably near the Government resale levels. To be more specific, because of United States marketing practices, it would approximate 110 percent of the 65-percent-of-parity loan level, or somewhere near 71 percent of parity. Assuming for a moment that the parity price were to remain at the present level of 38.5 cents, the plan B farmer raising the full amount of 140 percent of his acreage allotment would receive a support of approximately 28.5 cents per pound, but the market price of 110 percent of plan B level would mean that the Government would be selling all plan A cotton at approximately 31 cents. Thus, it is contemplated that the plan B cotton would not require support and that the market level, domestically, would settle around 31 cents. Assume that, during this time, the world price is 29 cents. Under the new plan, the Government would be authorized to subsidize any cotton exported by 2 cents a pound to meet the domestic price of 31 cents. Thus, it is contemplated that the actual price difference between cotton produced on plan A farms and plan B farms would be in the neighborhood of 2½ cents per pound. Thus, plan B should prove extremely attractive to many farmers.

Likewise, acceptance of this plan will alleviate the necessity of the Soil Bank program, which in 1958 alone calls for the disbursement of approximately \$289 million (of which Arizona got only \$2.5 million). At the same time, it would place us in a much more nearly competitive position worldwide, the goal for which we have been striving for many years.

I sincerely urge my colleagues to support this program since it promises such a very realistic, permanent answer for our farmers.

Mr. KNOWLAND had previously said: Mr. President, I ask unanimous consent to have printed in the RECORD an amendment which I had intended to offer to the pending bill, Senate bill 4071.

There being no objection, the amendment intended to be proposed by Mr. KNOWLAND was ordered to be printed in the RECORD, as follows:

On page 16, between lines 4 and 5, add the following new section:

#### "SALE OF COTTON ALLOTMENTS

"SEC. —. The Agricultural Adjustment Act of 1938, as amended, is amended by add-



ing after section 347 the following new section:

"SEC. 348. Notwithstanding any other provision of law, effective beginning with the 1958 crop, the owner and the operator of any farm, except a farm for which choice (B) has been elected by the operator under section 102 of the Agricultural Act of 1949, as amended, may sell and transfer the entire farm acreage allotment and marketing quota for upland cotton to any other producer in the United States for transfer to a farm owned or operated by such producer in accordance with the provisions of this section. Such sales and transfers shall be made in accordance with regulations issued by the Secretary of Agriculture. Sales shall be made on a competitive bid basis. Acreage history for the farm from which the allotment is transferred for the 3 years immediately preceding the year for which the allotment was established, shall be transferred to the farm to which the allotment is transferred and to the State and county in which such farm is located. Acreage transferred under this section and planted shall be credited to the State, county, and farm to which the acreage is transferred in determining future acreage allotments. The producers on a farm to which such acreage is transferred shall not be eligible for price support or subsidy in the year in which such acreage is transferred or in any succeeding year on that quantity of cotton determined in accordance with regulations issued by the Secretary to have been produced as a result of acreage transferred hereunder."

Mr. COOPER subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD two statements by me; one with reference to the feed-grain amendment, and one with reference to corn acreage allotments.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR COOPER

I wish to give my reasons for voting for the feed-grain amendment to the corn program, which received the support of several members of the Committee on Agriculture and Forestry, and of Members on both sides of the aisle.

First, this plan for corn and other feed grains offered corn farmers a choice, a choice in many ways similar to that they have under the present program. That is, of a higher support level for their corn when planted in compliance with a production-control program, or of support at not less than \$1.10 if they chose to grow all the corn they needed or wished to raise. That \$1.10 guaranty is the same amount offered noncompliance farmers last year, for those who chose to grow corn freely for their livestock or other needs.

I believe Kentucky corn growers would approve a corn program under which they would have a choice of plans, to fit their individual needs and farm operation.

Second, this plan would have supported the price of corn at 85 percent of parity for farmers who were willing to reduce their corn and feed-grain acreage by 20 percent. Based on present parity, that would mean that our Kentucky farmers who chose to participate in this plan to reduce surplus production would have been able to receive \$1.50 a bushel for the corn they did grow. That is a figure substantially higher than the \$1.14 support provided for 1959 corn in the committee bill, or the \$1.10 minimum in that bill.

Because 54 percent of our Kentucky corn farmers already comply with their allotments, choosing a higher support price in return for limiting their production, I know that they would approve of this plan.

Third, I think the feed-grain amendment promised, for perhaps the first time, an effective production-control mechanism for corn and feed grains. Production control is essential to any successful price-support program. No one appreciates this fact better than our Kentucky farmers, who see the results of realistic production controls in the successful operation of their tobacco program, and in the prices received for their tobacco.

Further, everyone agrees that if a production-control program is to be successful for corn, the other feed grains must also be included. This would have been done under the proposed amendment. Because of the production-control feature, I believe this plan might have been operated at far less cost to the Government, and might have done more to prevent the piling up of additional surplus production, than the plan on which we shall finally vote in this bill. I was hopeful that it offered an economical, realistic approach to the corn problem—and one which would still result in prices for farmers well above the free-market level of pure competition.

Fourth, this feed-grain plan would, in effect, have offered farmers a payment for retiring acreage from crop production, as does the acreage reserve of the Soil Bank. In fact, it requires that the diverted acres be placed in the conservation reserve of the Soil Bank—and to that modest payment would have been added the difference between \$1.50 corn and corn at the market price.

But the acreage reserve is being discontinued after this year. I hope it will not be ended, but it probably will be. A great many of our Kentucky farmers have participated in the corn Soil Bank. I know they will miss it. That plan has worked well for them, and for the total corn program. So the similar effect of choice A in the feed-grain amendment represented a plan I felt sure they would appreciate.

Fifth, Choice B, under the proposed amendment, was identical with the plan recommended by the committee, supported by the Department of Agriculture, and advocated by the American Farm Bureau and the Kentucky Farm Bureau. It would have enabled farmers to follow this new plan if they wished to do so, while preserving the best elements of the present corn program for those who chose that course.

Sixth, The feed-grain amendment would have maintained the parity concept for corn. It was written within the framework of our parity and price-support programs of the last 20 years. Its intent was to provide fair prices for corn farmers—and for livestock producers as well—when they contributed something to the national effort for a balanced agricultural economy.

I regret that the feed-grain amendment failed, because I gave it much study. But I shall vote for the corn plan in the bill, as my second choice, and as a plan which is supported by the Kentucky Farm Bureau, and which I hope will prove to be an improved corn plan, and one which will be helpful to Kentucky farmers.

#### STATEMENT BY SENATOR COOPER

I attach to this statement a table showing the historical average adjusted base acreage, the allotted acreage, and the planted acreage for commercial corn farms in 1957—the latest year for which figures are available. These figures were supplied by the Commodity Stabilization Service of the Department of Agriculture, which has responsibility for administering the present corn program. They compare compliance farms with noncompliance farms.

The historical base acreage for commercial corn farms is the average corn acreage, planted or diverted, in recent years on those farms.

I think anyone who will examine this simple table objectively will agree that it shows two things:

First, that farms who participated in the present program last year, and who complied with objectives of the program, represented over one-third of the historical corn acreage in the commercial corn area. That is, these farmers hold one-third of the cornland ordinarily planted, or which would have been planted in the absence of a program.

Second, that these farms which complied with the program also represent one-third of the corn allotment for the entire area. That is, that they hold one-third of the cornland which present law says should have been planted to corn, in order to bring supplies in line with demand.

Therefore, either in terms of their potential corn production, or of the desired corn production, these farms represents over one-third of the cornland—not 14 percent.

The 14 percent figure, so commonly quoted as the proportion of cornland in compliance last year, is obtained by comparing the small planting on compliance farms—those where the program successfully obtained a substantial reduction in corn production—with the large total of corn planted, including that on all of the farms which ignored allotments and planted more than double their allotments. This basis of comparison is not logical, and it is not fair to farmers who have sought to reduce the corn surplus, or to those charged with responsibility for operating the present program. It is not fair to taxpayers, who in the final analysis pay for operation of the price-support incentive for compliance, and for the corn soil bank.

This is why I say that the statement that only 14 percent of the corn planted last year was in compliance is a measure of the present program's effectiveness—not entirely of its failure.

#### Historical corn base acreage, allotted corn acreage, and planted corn acreage for commercial corn area, 1957

[In millions]

|                              | Noncompliance farms | Compliance farms | Total |
|------------------------------|---------------------|------------------|-------|
| Historical base acreage..... | 40.4                | 22.9             | 63.3  |
| Allotted acreage.....        | 23.7                | 13.4             | 37.1  |
| Planted acreage.....         | 43.9                | 7.0              | 50.9  |

NOTE.—38.6 percent of commercial corn farms were in compliance in 1957. 36 percent of commercial corn base acreage was on farms in compliance in 1957. 36 percent of commercial corn allotment was on farms in compliance in 1957.

Source: CSS, USDA; July 22, 1958.

Mr. JOHNSON of Texas. Mr. President, I yield back the remaining time under my control.

Mr. HRUSKA. Mr. President, I yield back the remaining time under my control.

The PRESIDING OFFICER (Mr. CHURCH in the chair). All remaining time has been yielded back.

The question now is, Shall the bill pass?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHURCH in the chair). Without objection, it is so ordered.



The question is on the passage of the bill. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MAGNUSON (when his name was called). On this vote I have a pair with the junior Senator from Virginia [Mr. ROBERTSON]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Florida [Mr. HOLLAND], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], the Senator from Florida [Mr. SMATHERS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Delaware [Mr. FREAR] is absent on official business attending the Interparliamentary Conference in Rio de Janeiro, Brazil, as a delegate representing the Senate.

The Senator from Arkansas [Mr. McCLELLAN] is absent because of a death in his family.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], and the Senator from Florida [Mr. SMATHERS] would each vote "yea."

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Colorado would vote "nay" and the Senator from Texas would vote "yea."

The Senator from Montana [Mr. MURRAY] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Montana would vote "nay" and the Senator from Florida would vote "yea."

Mr. DIRKSEN. I announce that the Senator from South Dakota [Mr. CASE] and the Senator from West Virginia [Mr. HOBLITZELL] are absent because of official business, having been appointed by the Vice President to attend the 49th Congress of the Interparliamentary Union in Rio de Janeiro.

The Senator from Colorado [Mr. ALLOTT] is absent because of illness.

The Senator from Vermont [Mr. FLANDERS], the Senator from New York [Mr. JAVITS], the Senator from Maine [Mr. PAYNE], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Michigan [Mr. POTTER] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from New Jersey [Mr. SMITH] are detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from New Hampshire [Mr. BRIDGES], the Senator from South Dakota [Mr. CASE], the

Senator from Vermont [Mr. FLANDERS], the Senator from West Virginia [Mr. HOBLITZELL], the Senator from New York [Mr. JAVITS], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Maine [Mr. PAYNE], the Senator from Michigan [Mr. POTTER], and the Senator from New Jersey [Mr. SMITH], would each vote "yea."

The result was announced—yeas 62, nays 11, as follows:

## YEAS—62

|             |                 |              |
|-------------|-----------------|--------------|
| Alken       | Goldwater       | Monroney     |
| Anderson    | Gore            | Morton       |
| Barrett     | Green           | Mundt        |
| Beall       | Hayden          | Pastore      |
| Bennett     | Hickenlooper    | Purtell      |
| Bible       | Hill            | Revercomb    |
| Bricker     | Hruska          | Russell      |
| Bush        | Ives            | Saltonstall  |
| Butler      | Jenner          | Schoeppel    |
| Capehart    | Johnson, Tex.   | Smith, Maine |
| Carlson     | Johnston, S. C. | Sparkman     |
| Case, N. J. | Jordan          | Stennis      |
| Cooper      | Kefauver        | Symington    |
| Cotton      | Kerr            | Talmadge     |
| Curtis      | Knowland        | Thurmond     |
| Dirksen     | Kuchel          | Thye         |
| Dworshak    | Langer          | Watkins      |
| Eastland    | Lausche         | Wiley        |
| Ellender    | Long            | Williams     |
| Ervin       | Malone          | Young        |
| Fulbright   | Martin, Iowa    |              |

## NAYS—11

|          |           |           |
|----------|-----------|-----------|
| Church   | Jackson   | Morse     |
| Clark    | Kennedy   | Neuberger |
| Douglas  | Mansfield | Proxmire  |
| Humphrey | McNamara  |           |

## NOT VOTING—23

|               |             |              |
|---------------|-------------|--------------|
| Allott        | Hennings    | O'Mahoney    |
| Bridges       | Hoblitzell  | Payne        |
| Byrd          | Holland     | Potter       |
| Carroll       | Javits      | Robertson    |
| Case, S. Dak. | Magnuson    | Smathers     |
| Chavez        | Martin, Pa. | Smith, N. J. |
| Flanders      | McClellan   | Yarborough   |
| Frear         | Murray      |              |

So the bill (S. 4071) was passed.

Mr. AIKEN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Vermont.

The motion to lay on the table was agreed to.

## ORDER FOR ADJOURNMENT TO MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

## INCREASED USE OF AGRICULTURAL PRODUCTS FOR INDUSTRIAL PURPOSES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1831, S. 4100.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 4100) to provide for the increased use of agri-

cultural products for industrial purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

## LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to give notice to the Senate that next week we expect to consider Calendar No. 2006, H. R. 12738, the Department of Defense appropriation bill; the conference report on H. R. 11574, the independent offices appropriation bill; Calendar No. 1759, H. R. 8308, the humane slaughter bill; Calendar No. 1661, S. 921, to amend section 161 of the Revised Statutes, known as the freedom of information bill; and Calendar No. 1669, S. 3493, to amend the District of Columbia Unemployment Compensation Act.

Mr. President—

The PRESIDING OFFICER. The Senator from Texas.

## ORDER FOR CALL OF THE CALENDAR ON MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that on Monday there be a call of the calendar, beginning with Calendar No. 1868, and including those measures to which there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

## SUSPENSION OF NUCLEAR WEAPONS TESTS

Mr. HUMPHREY. Mr. President, although a delegation of experts is now in Geneva participating in East-West discussions on the technical feasibility of detecting nuclear weapons tests, our Government still has made no formal statement of position on the matter of suspending further nuclear-weapons testing.

We did, of course, a year ago, present a package proposal at the London meeting of the U. N. Disarmament Subcommittee. Included in this package was a 2-year test suspension. The Russians also displayed an interest in a test suspension, but we were unable to achieve a meeting of the minds because the United States was then offering the package on an all or nothing basis.

Since that time there have been repeated reports in the press to the effect that our position is being reconsidered.

Our willingness to participate in these talks at Geneva may itself be another indication of a changing position. While we went into the talks on the express understanding that our participation would be without prejudice to our position on the issue, it is reasonable to assume that we would not have entered into these talks if we did not believe that some purpose would be served by giving serious consideration to an international test suspension as a single item matter, not connected with other disarmament proposals.



The fact that these Geneva talks are continuing in a serious atmosphere in spite of the tension and bitterness which surrounds us, is, in itself, an indication of the high priority which the nations of the world are placing on the arms control problem.

I have frequently urged the administration to act promptly on this issue. In doing so, I have laid particular stress on the ungainly political posture in which our official approach had been placing us.

I am now pleased to see that one of the Nation's foremost institutions, dedicated to research on public issues, has just issued an extensive report on the test issue.

The report, issued by the Committee on Security Through Arms Control of the National Planning Association, very properly takes the position that national security must come first, and that international test suspension must stand or fall on that proposition.

In analyzing the national security factors, a committee of experts in weaponry, international relations, government and business, concludes that the United States should promptly take the initiative to seek an international agreement, adequately policed and inspected, to end nuclear tests.

The committee advances the challenging idea that the President should call for the establishment of an international agency to control nuclear explosions of all sorts. In so doing, he would be laying the groundwork for a general arms-control inspection agency which might eventually be in a position to police the more comprehensive agreement which we all seek in the future. Also, in so doing, he would be exerting the same kind of dramatic leadership which was so helpful in creating the International Atomic Energy Agency.

Mr. President, I believe the report of the Committee on Security Through Arms Control of the National Planning Association is so well reasoned and thorough that it should be read by all Members of the Senate. I, therefore, ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE SPECIAL PROJECT COMMITTEE ON SECURITY THROUGH ARMS CONTROL

ESTABLISHING INTERNATIONAL CONTROL OF NUCLEAR EXPLOSIONS

*I. The need for revision of United States nuclear test policy*

United States policy on nuclear explosions is in need of revision.

In the United Nations Disarmament Subcommittee on August 29, 1957, the United States proposed a suspension of nuclear test explosions as part of an unbreakable package containing other arms control measures. We believe that the test control issue should now be separated from others, and that our country should take prompt initiative for a worldwide test control program under suitable international control machinery as a first step toward more comprehensive arms controls.

The United States has already broken its disarmament package in an April 29, 1958, proposal for aerial inspection in the Arctic

zone. President Eisenhower has recognized the special nature of the nuclear test issue in proposing a joint scientific inquiry into the technological problems involved in a test suspension and in designating eminent scientists to represent the United States in this inquiry. There remains, however, the necessity formally to revise United States policy respecting the nuclear test issue.

The issue has been adequately debated. Public consideration has been aided by several important congressional studies and hearings. Scientific, strategic and political factors have been widely discussed. Popular interest is high. The Soviet Union has derived considerable propaganda advantage from an announcement of a test suspension, made at the conclusion of a test series which produced a very large amount of radioactive fallout. The Soviet Union made no commitment as to the duration of suspension, nor did it provide any means for verification of performance.

*II. Basic considerations*

After weighing the complex factors involved, we believe these basic considerations should be borne in mind in dealing with the nuclear test issue.

**Human values:** The United States position should be fully consistent with the ideals and values for which our country has been admired. We should not permit ourselves to become associated with disregard for human life or the rights of others.

**Military security:** The enhancement of the security of the United States and of the world is a fundamental purpose, and the nuclear test issue is to be judged primarily in this context.

**Security through arms control:** The current arms race, which is diminishing United States and world security, cannot be checked and reversed without effective controls. A nuclear test suspension with inspection and controls will be a step toward more comprehensive arms control measures. Further, inspection, if carried out in good faith by all parties, will increase contacts and understanding, will diminish fears and uncertainties, and will generally accelerate evolution toward a more stable international order.

**Explosions for agreed purposes:** Certain types of nuclear explosions in the future may contribute to the well-being or security of mankind. There must be a mechanism whereby the world community, rather than individual nations, can evaluate and authorize future nuclear explosions for internationally approved purposes.

*III. Recommendation*

We recommend the following action:

1. Call immediately for the establishment of an international agency to operate a monitoring system for the maximum practicable control of nuclear explosions. Offer to train personnel and provide currently classified detection technology and equipment for such an agency and invite other countries to do likewise.

2. Propose a specific, early date for a conference to reach international agreement on (a) installation and proving of the international monitoring grid; (b) international procedures for authorizing and supervising nuclear explosions for testing the grid, for developing "nuclear dynamite" for peaceful uses, and for other agreed purposes; (c) prohibition of all nuclear explosions which could be reliably identified by the international system, as so installed and proven, except as such tests are authorized.

3. After the current United States test series, delay all nuclear explosions for 2 years while negotiating a satisfactory control agreement and installing an effective monitoring system.

*IV. Summary argument*

The debate on the nuclear test issue has generally divided United States opinion into three schools.

The first school has reasoned that most nuclear explosions are not reliably detectable, that we cannot trust the Communists, and, therefore, that a prohibition or limitation risks serious dangers of military inferiority to Russia.

However, the United States, Russia, and probably other nations have conducted secret research programs for about a decade on techniques for detecting nuclear explosions, and there are undoubtedly effective techniques that are not yet in the public domain. Furthermore, future research may well uncover additional possibilities for detection and identification of nuclear explosions.

The committee believes that undetectable explosions are small and do not present a major health hazard. But since very small nuclear explosions can contribute significantly to military capabilities, we make the point in our recommendation that the United States should agree to international control of only those explosions which the inspection grid can reliably detect—as proven by actual tests, where there is reasonable doubt.

Thus, we do not believe that the matter of test detectability need any longer be a governing point.

A second school of thought holds that, regardless of their controllability, nuclear explosions for purposes of weapons tests are essential to the future military security of the United States and therefore must be continued.

A third school finds that the health hazard from tests is very serious, that the pollution of the earth's atmosphere is immoral, and that politically and psychologically the United States loses to a damaging extent by continuing tests. It concludes that these factors outweigh security factors, and therefore that tests should be discontinued under international agreement.

While advocating a test suspension arrangement, the reasoning of this committee is somewhat different from that of this third group. We agree that the health and political factors, as discussed in sections VII and VIII, are considerable. Yet, we believe that the basic point involved is the military security of the United States and the free world.

When we examine the question of military security (see sec. V), we find that the security risks from continued testing very substantially outweigh the security risks from a controlled prohibition. We make our case primarily in the light of security considerations, and only secondarily in terms of the health and political factors involved.

Explosions for peaceful purposes may well be desirable in the future. But we believe that international machinery can be readily developed for authorizing and supervising such peaceful explosions while still reliably controlling weapons tests.

Lastly, as suggested in section V, it is conceivable that in the future certain weapons tests under certain conditions might actually enhance world stability and security, rather than the reverse, as at present. This issue is not yet at all clear. But in the event this ever should become the case, we point out the above international machinery could equally suffice to consider, authorize, and supervise weapons tests that might actually enhance or stabilize the world's security arrangements. But for the immediate future we believe that a prohibition of all controllable explosions will bring the most security to the United States as well as to all mankind.

*V. Military security factors*

In considering the effects on the security of the United States from continued tests, one must evaluate the security effects from continued tests by Russia and by an increasing number of other nations, as well as tests











85TH CONGRESS  
2D SESSION

# S. 4071

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IN THE HOUSE OF REPRESENTATIVES

JULY 28, 1958

Referred to the Committee on Agriculture

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## AN ACT

To provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Agricultural Act of  
4       1958".

### TITLE I—COTTON

#### PROGRAM FOR 1959 AND 1960

7       SEC. 101. The Agricultural Act of 1949, as amended,  
8       is amended by adding the following new section:

9       "SEC. 102. Notwithstanding any other provisions of  
10      law—

11       "(a) for each of the 1959 and 1960 crops of



1 upland cotton the Secretary of Agriculture is authorized  
2 and directed to offer the operator of each farm for which  
3 an allotment is established under section 344 of the  
4 Agricultural Adjustment Act of 1938, as amended, a  
5 choice of (A) the farm acreage allotment determined  
6 pursuant to section 344 of the Agricultural Adjustment  
7 Act of 1938, as amended, and price support determined  
8 pursuant to section 101 of this Act (the amount of  
9 cotton estimated to be produced on the additional acres  
10 allotted to producers selecting choice (B) for such year  
11 being taken into account in computing such support),  
12 or (B) the farm acreage allotment determined pursu-  
13 ant to section 344 of the Agricultural Adjustment Act  
14 of 1938, as amended, increased by 40 per centum (such  
15 increased acreage allotment to be the acreage allotment  
16 for the farm for all purposes) and price support at a  
17 level which is 15 per centum of parity below the  
18 level of support established for producers who elect  
19 choice (A). Any person operating more than one  
20 farm, in order to be eligible for choice (B), must elect  
21 choice (B) for all farms for which he is operator. Not  
22 later than January 31 the Secretary shall determine  
23 and announce on the basis of his estimate of the supply  
24 percentage as of August 1, the price support level for  
25 producers who elect choice (A) and such price support



1 level shall be final. As soon as practicable after such  
2 announcement, the Secretary shall cause the operator  
3 (as shown on the records of the county committee)  
4 of each farm for which an allotment is established under  
5 section 344 of the Agricultural Adjustment Act of 1938,  
6 as amended, to be notified of the alternative levels of  
7 price support and the alternative acreage allotments  
8 available for his farm. The operator of each farm shall,  
9 within the time prescribed by the Secretary, notify the  
10 county committee in writing whether he desires the  
11 increased acreage allotment and the level of price sup-  
12 port prescribed in choice (B) to be effective for the  
13 farm. If the operator fails to so notify the county com-  
14 mittee within the time prescribed, he shall be deemed  
15 to have chosen the acreage allotment and the price  
16 support level prescribed in choice (A). The choice  
17 elected by the operator shall apply to all the producers  
18 on the farm. The additional acreage required to be  
19 allotted to farms under this section shall be in addition  
20 to the county, State, and national acreage allotments  
21 and the production from such acreage shall be in addi-  
22 tion to the national marketing quota. The additional  
23 acreage authorized by this section shall not be taken  
24 into account in establishing future State, county, and  
25 farm acreage allotments. Notwithstanding any other



1       provision of law, no farm participating in any cotton  
2       acreage reserve program established for 1959 under the  
3       Soil Bank Act shall receive an increased acreage allot-  
4       ment under the provisions of this section for 1959.  
5       Notwithstanding the provisions of section 344 (m) (2)  
6       any farm cotton acreage allotment increased as the  
7       result of the selection of choice (B) may not be released  
8       and reapportioned to any other farm. Price support  
9       shall be made available under this paragraph only to  
10      cooperators and only if producers have not disapproved  
11      marketing quotas for the crop.

12           “(b) for each of the 1959 and 1960 crops of upland  
13      cotton, price support shall be made available to producers  
14      who elect choice (A) through a purchase program.  
15      Price support shall be made available to producers who  
16      elect choice (B) through loans, purchases, or other  
17      operations.

18           “(c) the Commodity Credit Corporation is directed,  
19      during the period beginning August 1, 1959, and ending  
20      July 31, 1961, to offer any upland cotton owned by it  
21      for sale for unrestricted use at not less than 10 per  
22      centum above the current level of price support pre-  
23      scribed in choice (B).”



## 1      PRICE SUPPORT FOR 1961 AND SUBSEQUENT YEARS

2      SEC. 102. (a) The Agricultural Act of 1949, as  
3 amended, is amended by adding a new section 103 as  
4 follows:

5      "SEC. 103. Notwithstanding any other provision of law,  
6 beginning with the 1961 crop, the level of price support to  
7 producers for each crop of upland cotton shall be 90 per  
8 centum of the average market price of middling one inch  
9 cotton in the designated spot markets in the case of upland  
10 cotton during the three calendar years immediately preced-  
11 ing the calendar year in which the marketing year for such  
12 crop begins, except that the level of price support for upland  
13 cotton shall not be less than 30 cents per pound or 60 per  
14 centum of the parity price therefor, whichever is higher.  
15 Price support shall be made available under this section only  
16 to cooperators and only if producers have not disapproved  
17 marketing quotas. Price support in the case of noncoopera-  
18 tors and in case marketing quotas are disapproved shall be  
19 as provided in section 101 (d) (3) and (5). Middling one  
20 inch shall be the standard quality of upland cotton for  
21 purposes of price support under this section."



## 1       ACREAGE ALLOTMENTS AND MARKETING QUOTAS

2       SEC. 103. The Agricultural Adjustment Act of 1938,  
3 as amended, is amended as follows:

4       (1) Section 342 is amended by striking out the third  
5 sentence and by changing the period at the end of the sec-  
6 ond sentence to a colon and adding the following: "*Pro-*  
7 *vided*, That beginning with the 1961 crop, the national mar-  
8 keting quota shall be not less than a number of bales equal  
9 to the estimated domestic consumption and estimated ex-  
10 ports (less estimated imports) for the marketing year for  
11 which the quota is proclaimed, except that the Secretary  
12 shall make such adjustment in the amount of such quota as  
13 he determines necessary after taking into consideration the  
14 estimated stocks of cotton in the United States (including  
15 the qualities of such stocks) and the stocks in foreign  
16 countries which would be available for the marketing year  
17 for which the quota is being proclaimed if no adjustment  
18 of such quota is made hereunder, to assure the mainte-  
19 nance of adequate but not excessive stocks in the United  
20 States to provide a continuous and stable supply of the  
21 different qualities of cotton needed in the United States  
22 and in foreign cotton consuming countries, and for purposes  
23 of national security; but the Secretary, in making such ad-  
24 justments, may not reduce the national marketing quota for  
25 any year below (i) one million bales less than the estimated



1 domestic consumption and estimated exports for the market-  
2 ing year for which such quota is being proclaimed, or (ii)  
3 ten million bales, whichever is larger.”

4 (2) Section 342 is further amended by adding at the  
5 end thereof the following: “Notwithstanding any other pro-  
6 vision of this Act, the national marketing quota for upland  
7 cotton for 1959 and subsequent years shall be not less than  
8 the number of bales required to provide a national acreage  
9 allotment for each such year of sixteen million acres.”

10 (3) Section 347 (b) is amended by changing the  
11 period at the end of the second sentence to a colon and adding  
12 the following: “*Provided*, That beginning with the 1961  
13 crop of extra long staple cotton, such national marketing  
14 quota shall be an amount equal to (1) the estimated domes-  
15 tic consumption plus exports for the marketing year which  
16 begins in the next calendar year, less (2) the estimated  
17 imports, plus (3) such additional number of bales, if any,  
18 as the Secretary determines is necessary to assure adequate  
19 working stocks in trade channels until cotton from the next  
20 crop becomes readily available without resort to Commodity  
21 Credit Corporation stocks.”

22 (4) The second sentence of section 344 (a) is amended  
23 by striking the word “five” and substituting the word  
24 “three” and by inserting after the second comma “adjusted  
25 for abnormal conditions and trends,”.



## MINIMUM FARM ALLOTMENTS

1  
2 SEC. 104. (a) Section 344 (b) of the Agricultural  
3 Adjustment Act of 1938, as amended, is amended by insert-  
4 ing before the period at the end thereof a colon and the fol-  
5 lowing: "*Provided*, That there is hereby established a na-  
6 tional acreage reserve consisting of three hundred and ten  
7 thousand acres which shall be in addition to the national  
8 acreage allotment; and such reserve shall be apportioned to  
9 the States on the basis of their needs for additional acreage  
10 for establishing minimum farm allotments under subsection  
11 (f) (1), as determined by the Secretary without regard to  
12 State and county acreage reserves (except that the amount  
13 apportioned to Nevada shall be one thousand acres). For  
14 the 1960 and succeeding crops of cotton, the needs of States  
15 (other than Nevada) for such additional acreage for such  
16 purpose may be estimated by the Secretary, after taking  
17 into consideration such needs as determined or estimated  
18 for the preceding crop of cotton and the size of the national  
19 acreage allotment for such crop. The additional acreage  
20 so apportioned to the State shall be apportioned to the coun-  
21 ties on the basis of the needs of the counties for such addi-  
22 tional acreage for such purpose, and added to the county  
23 acreage allotment for apportionment to farms pursuant to  
24 subsection (f) of this section (except that no part of such  
25 additional acreage shall be used to increase the county re-



1 serve above 15 per centum of the county allotment deter-  
2 mined without regard to such additional acreage). Addi-  
3 tional acreage apportioned to a State for any year under  
4 the foregoing proviso shall not be taken into account in  
5 establishing future State acreage allotments. Needs for  
6 additional acreage under the foregoing provisions and under  
7 the last proviso in subsection (e) shall be determined or  
8 estimated as though allotments were first computed without  
9 regard to subsection (f) (1).”

10 (b) Section 344 (e) of the Agricultural Adjustment  
11 Act of 1938, as amended, is amended by inserting before  
12 the period at the end thereof a colon and the following:  
13 “*Provided further*, That if the additional acreage allocated  
14 to a State under the proviso in subsection (b) is less than  
15 the requirements as determined or estimated by the Secre-  
16 tary for establishing minimum farm allotments for the State  
17 under subsection (f) (1), the acreage reserved under this  
18 subsection shall not be less than the smaller of (1) the  
19 remaining acreage so determined or estimated to be required  
20 for establishing minimum farm allotments or (2) 3 per  
21 centum of the State acreage allotment; and the acreage  
22 which is required to be reserved under this proviso shall  
23 be allocated to counties on the basis of their needs for addi-  
24 tional acreage for establishing minimum farm allotments



1 under subsection (f) (1), and added to the county acreage  
2 allotment for apportionment to farms pursuant to subsection  
3 (f) of this section (except that no part of such additional  
4 acreage shall be used to increase the county reserve above  
5 15 per centum of the county allotment determined without  
6 regard to such additional acreages).”

7 (c) Section 344 (f) of the Agricultural Adjustment  
8 Act of 1938, as amended, is amended by changing para-  
9 graph (1) to read as follows:

10 “(1) Insofar as such acreage is available, there shall  
11 be allotted the smaller of the following: (A) ten acres;  
12 or (B) the acreage allotment established for the farm for  
13 the 1958 crop.”

14 (d) The first sentence of section 344 (f) (6) of such  
15 Act is amended to read as follows: “Notwithstanding the  
16 provisions of paragraph (2) of this subsection, if the county  
17 committee recommends such action and the Secretary deter-  
18 mines that such action will result in a more equitable distri-  
19 bution of the county allotment among farms in the county,  
20 the remainder of the county acreage allotment (after making  
21 allotments as provided in paragraph (1) of this subsection)  
22 shall be allotted to farms other than farms to which an  
23 allotment has been made under paragraph (1) (B) of this  
24 subsection so that the allotment to each farm under this  
25 paragraph together with the amount of the allotment of



1 such farm under paragraph (1) (A) of this subsection  
2 shall be a prescribed percentage (which percentage shall  
3 be the same for all such farms in the county) of the average  
4 acreage planted to cotton on the farm during the three years  
5 immediately preceding the year for which such allotment is  
6 determined, adjusted as may be necessary for abnormal  
7 conditions affecting plantings during such three-year period:  
8 *Provided*, That the county committee may in its discretion  
9 limit any farm acreage allotment established under the pro-  
10 visions of this paragraph for any year to an acreage not in  
11 excess of 50 per centum of the cropland on the farm, as  
12 determined pursuant to the provisions of paragraph (2)  
13 of this subsection: *Provided further*, That any part of the  
14 county acreage allotment not apportioned under this para-  
15 graph by reason of the initial application of such 50 per  
16 centum limitation shall be added to the county acreage  
17 reserve under paragraph (3) of this subsection and shall  
18 be available for the purposes specified therein."

19 (e) The amendments made by this section shall be  
20 effective beginning with the 1959 crop.

21 SEC. 105. Effective beginning with the 1959 crop, sec-  
22 tion 344 (f) of the Agricultural Adjustment Act of 1938,  
23 as amended, is amended by adding at the end thereof the  
24 following new paragraph:

25 "(7) (A) In the event that any farm acreage allot-



1 ment is less than that prescribed by paragraph (1), such  
2 acreage allotment shall be increased to the acreage prescribed  
3 by paragraph (1). The additional acreage required to be  
4 allotted to farms under this paragraph shall be in addition to  
5 the county, State, and national acreage allotments and the  
6 production from such acreage shall be in addition to the na-  
7 tional marketing quota.

8 “(B) Notwithstanding any other provision of law—

9 “(i) the acreage by which any farm acreage allot-  
10 ment for 1959 or any subsequent crop computed without  
11 regard to paragraph (1) is increased by reason of the  
12 application of paragraph (1) shall not be taken into  
13 account in establishing future acreage allotments for  
14 such farm;

15 “(ii) the acreage by which any county acreage  
16 allotment for 1959 or any subsequent crop is increased  
17 from the national or State reserve on the basis of its  
18 needs for additional acreage for establishing minimum  
19 farm allotments shall not be taken into account in estab-  
20 lishing future county acreage allotments, and

21 “(iii) the additional acreage allotted pursuant to  
22 subparagraph (A) of this paragraph (7) shall not be  
23 taken into account in establishing future State, county,  
24 or farm acreage allotments.”



## 1       METHOD OF DETERMINING FARM ALLOTMENTS

2       SEC. 106. Section 344 (f) of the Agricultural Adjust-  
3   ment Act of 1938, as amended, is amended by adding at the  
4   end thereof the following new paragraph:

5       “(8) Notwithstanding the foregoing provisions of  
6   paragraphs (2) and (6) of this subsection, the Secretary  
7   may, if he determines that such action will facilitate the  
8   effective administration of the provisions of the Act, provide  
9   for the county acreage allotment for the 1959 and succeed-  
10   ing crops of cotton, less the acreage reserved under para-  
11   graph (3) of this subsection, to be apportioned to farms  
12   on which cotton has been planted in any one of the three  
13   years immediately preceding the year for which such allot-  
14   ment is determined, on the basis of the farm acreage  
15   allotment for the year immediately preceding the year for  
16   which such apportionment is made, adjusted as may be  
17   necessary (i) for any change in the acreage of cropland  
18   available for the production of cotton, or (ii) to meet the  
19   requirements of any provision (other than those contained  
20   in paragraphs (2) and (6) ) with respect to the counting of  
21   acreage for history purposes.”

## 22       RETENTION OF SURRENDERED ACREAGE IN COUNTY

23       SEC. 107. Paragraph (2) of section 344 (m) of the  
24   Agricultural Adjustment Act of 1938, as amended, is



1 amended by striking out the period at the end of the second  
2 sentence of such paragraph and inserting in lieu thereof the  
3 following: “; but no such acreage shall be surrendered to  
4 the State committee so long as any farmer receiving a cotton  
5 acreage allotment in such county desires additional cotton  
6 acreage.”

#### 7 STANDARD GRADE

8 SEC. 108. Section 3 (a) of the Act of August 29, 1949,  
9 Public Law 272, 81st Congress and the last sentence of  
10 section 403 of the Agricultural Act of 1949, as amended,  
11 are hereby repealed. Such section 403 is further amended  
12 by inserting “, except in the case of cotton,” after the word  
13 “commodity” in the second sentence thereof. This section  
14 shall become effective with the 1961 crop.

#### 15 CCC SALES RESTRICTIONS

16 SEC. 109. Section 407 of the Agricultural Act of 1949,  
17 as amended, is amended by substituting a colon for the  
18 period at the end of the third sentence and adding at the end  
19 thereof the following: “*Provided*, That effective with the  
20 beginning of the marketing year for the 1961 crop, the Cor-  
21 poration shall not sell any upland or extra long staple cotton  
22 for unrestricted use at less than 15 per centum above the  
23 current support price for cotton plus reasonable carrying  
24 charges, except that the Corporation may, in an orderly  
25 manner and so as not to affect market prices unduly, sell for



1 unrestricted use at the market price at the time of sale a  
2 number of bales of cotton equal to the number of bales by  
3 which the national marketing quota for such marketing  
4 year is reduced below the estimated domestic consumption  
5 and exports for such marketing year pursuant to the pro-  
6 visions of section 342 of the Agricultural Adjustment Act  
7 of 1938, as amended."

8 COTTON EXPORT PROGRAM

9 SEC. 110. Nothing in this Act shall be construed to  
10 affect or modify the provisions of section 203 of the Agri-  
11 cultural Act of 1956, and any cotton owned or acquired by  
12 the Commodity Credit Corporation under any price support  
13 program may be used for the purpose of carrying out the  
14 cotton export program provided for in section 203 of the  
15 Agricultural Act of 1956.

16 PURCHASE OF COTTONSEED AND SOYBEAN OIL

17 SEC. 111. The Secretary of Agriculture shall estimate  
18 for the 1959 crop and 1960 crop of oil seeds, respectively,  
19 the amount by which the total production of oil from such  
20 crop will be increased by reason of the production of cotton  
21 on the increased acreage allotted to farmers who elect choice  
22 (B) under section 102 of the Agricultural Act of 1949, as  
23 amended by this Act. In making such estimate the Secre-  
24 tary shall make due allowance for any reduction in the  
25 acreage of soybeans which may result from the expansion



1 in the acreage of cotton. Commodity Credit Corporation  
2 may, during the marketing year for the 1959 crop and 1960  
3 crop of cotton, respectively, purchase an amount of oil pro-  
4 duced from cottonseed or soybeans approximately equal to  
5 the increase in the amount of oil so estimated for such crop  
6 of oil seeds by the Secretary. The oil if purchased shall  
7 be donated to nonprofit voluntary agencies registered with  
8 the Department of State, other appropriate agencies of the  
9 Federal Government or international organizations for use  
10 in the assistance of needy persons outside the United States.  
11 Commodity Credit Corporation may incur such additional  
12 costs with respect to such oil as it is authorized to incur  
13 with respect to food commodities disposed of under section  
14 416 of the Agricultural Act of 1949.

## 15 TITLE II—CORN AND FEED GRAINS

### 16 DISCONTINUANCE OF ACREAGE ALLOTMENTS ON CORN

17 SEC. 201. The Agricultural Adjustment Act of 1938,  
18 as amended, is amended by adding the following new sec-  
19 tion:

20 “SEC. 330. Notwithstanding any other provision of law,  
21 acreage allotments and a commercial corn-producing area  
22 shall not be established for the 1959 and subsequent crops of  
23 corn.”



## PRICE SUPPORT

SEC. 202. The Agricultural Act of 1949, as amended, is amended by adding the following new section:

“SEC. 104. (a) Notwithstanding any other provision of law, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 per centum of the average price received by farmers during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins adjusted to offset the effect on such price of any abnormal quantities of low grade corn marketed during any of such years: *Provided*, That the level of price support for any crop of corn shall not be less than \$1.10 per bushel or 60 per centum of the parity price therefor, whichever is the higher.

“(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level not less than 60 per centum of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, the normal price relationship



1 between such commodity and corn, the location and stora-  
 2 bility of the commodity and other relevant factors.”

3 SEC. 203. Section 101 (d) (4) of the Agricultural  
 4 Act of 1949, as amended, is repealed effective with the 1959  
 5 crop.

### 6 TITLE III—RICE

#### 7 MINIMUM NATIONAL AND STATE ACREAGE ALLOTMENTS

8 SEC. 301. Section 353 (c) (6) of the Agricultural  
 9 Adjustment Act of 1938, as amended, is amended by strik-  
 10 ing out “1957 and 1958” in each place it occurs therein,  
 11 and inserting “1957 and subsequent years”.

#### 12 PRICE SUPPORT

13 SEC. 302. (a) Section 101 (a) of the Agricultural Act  
 14 of 1949, as amended, is amended, effective beginning with  
 15 the 1959 crop—

16 (1) by striking out “wheat, and rice” and insert-  
 17 ing “and wheat”; and

18 (2) by adding at the end thereof the following new  
 19 paragraph: “For rice of the 1959 and 1960 crops, the  
 20 level of support shall be not less than 75 per centum  
 21 of the parity price.”

22 (b) Section 101 (d) of the Agricultural Act of 1949,  
 23 as amended, is amended by adding at the end thereof the  
 24 following new paragraph:

25 “(8) For rice of the 1961 and subsequent crops the



1 level of support shall be 90 per centum of the average price  
2 received by farmers during the three calendar years im-  
3 mediately preceding the year in which the crop is harvested,  
4 but not less than \$4 per hundredweight or 60 per centum  
5 of the parity price therefor, whichever is higher.”

6 SEC. 303. Notwithstanding any other provision of law,  
7 any farmer who is dissatisfied with his farm acreage allot-  
8 ment for the 1959 crop of wheat may, within fifteen days  
9 after mailing to him of notice as provided in section 362 of  
10 the Agricultural Adjustment Act of 1938, as amended, or  
11 within fifteen days after the effective date of this Act,  
12 whichever is later, have such allotment reviewed in accord-  
13 ance with the provisions of said Act.

#### 14 TITLE IV—WOOL

15 SEC. 401. (a) Section 703 of the National Wool Act  
16 of 1954 is amended by striking out “March 31, 1959” and  
17 inserting in lieu thereof “March 31, 1963”.

18 (b) The first sentence of section 704 of such Act is  
19 amended by striking out the proviso contained therein.

20 (c) Section 705 of such Act is amended by inserting  
21 after the first sentence thereof the following: “In addition  
22 to the amounts appropriated by the foregoing sentence,  
23 there are hereby authorized to be appropriated such further  
24 amounts as may be necessary to carry out the purposes  
25 of this Act; but notwithstanding any prior announcement of



1 the support level, no price support shall be made available  
2 through payments for any marketing year (beginning with  
3 the marketing year beginning in 1959) at a level in excess  
4 of 85 per centum of the parity price for the commodity as  
5 of the beginning of such marketing year, if the Secretary in  
6 his best judgment determines that the expenditures to be  
7 made by the Commodity Credit Corporation in connection  
8 with payments to producers under this title with respect to  
9 wool and mohair marketed during such marketing year will  
10 exceed the per centum of gross receipts specified in the pro-  
11 viso of the foregoing sentence for the calendar year ending  
12 in such marketing year. The Secretary when determining  
13 the level of support to be announced in advance of the  
14 beginning of any marketing year, may estimate the parity  
15 price as of the beginning of such marketing year and the  
16 parity price so estimated shall be used and regarded as final  
17 for the purposes of the foregoing sentence.”

18 TITLE V—PUBLIC LAW 480

19 SEC. 501. Section 103 (b) of the Agricultural Trade  
20 Development and Assistance Act of 1954, as amended  
21 (Public Law 480, Eighty-third Congress), is amended to  
22 read as follows:

23 “(b) Agreements shall not be entered into under this  
24 title during any fiscal year which will call for appropriations  
25 to reimburse the Commodity Credit Corporation, pursuant



1 to subsection (a) of this section, in amounts in excess of  
2 \$1,500,000,000, plus any amount by which agreements  
3 entered into in prior fiscal years (beginning with the fiscal  
4 year ending June 30, 1958) have called or will call for  
5 appropriations to reimburse the Commodity Credit Corpora-  
6 tion in amounts less than authorized for such prior fiscal  
7 years.”

8 SEC. 502. (a) Section 104 of such Act is amended by  
9 inserting before the period at the end of the first sentence of  
10 paragraph (h) thereof the following: “and for the financing  
11 of programs for the interchange of persons under title II of  
12 the United States Information and Educational Exchange  
13 Act of 1948, as amended (22 U. S. C. 1446)”.

14 (b) Such section is further amended by adding after  
15 paragraph (k) the following new paragraph:

16 “(l) For providing assistance, by grant or otherwise,  
17 in the expansion or operation in foreign countries of estab-  
18 lished schools, colleges, or universities founded or sponsored  
19 by citizens of the United States, for the purpose of enabling  
20 such educational institutions to carry on programs of voca-  
21 tional, professional, scientific, technological, or general edu-  
22 cation; and in the supporting of workshops in American  
23 studies or American educational techniques, and supporting  
24 chairs in American studies.”

25 SEC. 503. Section 109 of such Act is amended by strik-



1 ing out "June 30, 1958" and inserting in lieu thereof "June  
2 30, 1960".

3 SEC. 504. Section 204 of such Act is amended by strik-  
4 ing out "June 30, 1958" and inserting in lieu thereof  
5 "June 30, 1960".

6 SEC. 505. Section 206 (a) of the Agricultural Act of  
7 1956 is amended by inserting before the period at the end  
8 thereof a semicolon and the following: "but no strategic or  
9 critical material shall be acquired by the Commodity Credit  
10 Corporation as a result of such barter or exchange except for  
11 such national stockpile, for such supplemental stockpile,  
12 for foreign economic or military aid or assistance programs,  
13 or for offshore construction programs".

14 SEC. 506. In carrying out the provisions of the Agri-  
15 cultural Trade Development and Assistance Act of 1954, as  
16 amended, extra long staple cotton shall be made available  
17 for sale pursuant to the provisions of title I of the Act in  
18 the same manner as upland cotton or any other surplus  
19 agricultural commodity is made available, and products  
20 manufactured from upland or long-staple cotton shall be  
21 made available for sale pursuant to the provisions of title I  
22 of the Act as long as cotton is in surplus supply, and no



- 1 discriminatory or other conditions shall be imposed which
- 2 will prevent or tend to interfere with their sale or avail-
- 3 ability for sale under the Act.

Passed the Senate July 25, 1958.

Attest:

FELTON M. JOHNSTON,

*Secretary.*



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## AN ACT

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To provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

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JULY 28, 1958

Referred to the Committee on Agriculture











# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 31, 1958  
For actions of July 30, 1958  
85th-2d, No. 129

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HIGHLIGHTS: See page 6.

### HOUSE

1. AGRICULTURE COMMITTEE reported the following bills: (p. 14339)
  - S. 479, without amendment, to grant a 50-year right-of-way for a water pipeline across the Lincoln National Forest (H. Rept. 2305);
  - S. 1245, without amendment, to provide a right-of-way to the city of Alamogordo, N. Mex., across the Lincoln National Forest (H. Rept. 2306);
  - S. 3439, without amendment, to reconvey to Salt Lake City the Forest Service Fire Warehouse lot in that city (H. Rept. 2307);
  - H. R. 8481, without amendment, to extend the forestry provisions of the Agricultural Act of 1956 to Hawaii (H. Rept. 2308);
  - H. R. 11056, without amendment, to amend the Agricultural Marketing Agreement Act so as to extend restrictions on certain imported citrus fruits, dried fruits, and nuts (H. Rept. 2309);
  - H. R. 13257, without amendment, to authorize the Secretary to exchange lands comprising the Pleasant Grove Administrative Site, Unita National Forest, Utah, with a Pleasant Grove, Utah, church (H. Rept. 2310).
  - H. R. 13268, without amendment, to authorize CCC to purchase flour and cornmeal for donation instead of having such products processed from its own stocks (H. Rept. 2317).



2. MEATPACKERS. Rep. McCormack announced that H. R. 9020, to transfer certain functions under the Packers and Stockyards Act from USDA to FTC, will not be considered this week, but that he "will try to program it before the end of the session." p. 14291
3. COTTON. The "Daily Digest" states the Subcommittee on Cotton of the Agriculture Committee "met in executive session on provisions relating to cotton on S. 407 re marketing programs for various agricultural commodities, and ordered reported to the full committee certain amendatory recommendations of the bill." p. D762
4. FORESTRY. The Interior and Insular Affairs Committee reported with amendment S. 1748, to add certain lands in Ida. and Wyo. to the Caribou and Targhee National Forests (H. Rept. 2320). p. 14339
5. DESERT-LAND ENTRIES. The Interior and Insular Affairs Committee reported with amendment S. 359, to permit desert land entries on disconnected tracts of land aggregating less than 320 acres and form a compact unit (H. Rept. 2324). p. 14339
6. MINERALS. The Interior and Insular Affairs Committee reported with amendment S. 4036, to provide stabilization payments to certain minerals producers (H. Rept. 2329). p. 14339
7. TRANSPORTATION. The Merchant Marine and Fisheries Committee ordered reported with amendment H. R. 8382, to provide for the licensing of independent foreign freight forwarders. p. D763  
Passed with amendment H. R. 12751, to extend the provisions of the Shipping Act of 1916 relating to dual rate contract arrangements. Inserted the language of the bill as passed for that of a similar bill, S. 3916. H. R. 12751 was laid on the table. pp. 14322-25, 14333-34
8. ELECTRIFICATION. The Public Works Committee ordered reported S. 1869, to provide TVA with the authority to issue bonds to finance the construction of new generating capacity. p. D763  
Rep. Christopher inserted a letter from Julius Helm of the Mo. State Rural Electrification Assoc. commending him for supporting rural electrification and Federal power programs. p. 14326
8. PUBLIC DEBT. The Ways and Means Committee ordered reported H. R. 13580, to increase the public debt limit. p. D763  
Rep. Patman inserted the text of his testimony before the H. Ways and Means Committee opposing an increase in the public debt limit "without safeguards against using this authority in imprudent ways which will have unnecessarily bad effects." pp. 14335-37
9. PERSONNEL. Conferees were appointed on S. 1411, to give agencies discretion in suspending or retaining on duty Federal employees prior to security hearings. Senate conferees have been appointed. p. 14290  
Received from the Department of Interior a proposed bill "to permit variation of the 40-hour workweek of Federal employees for educational purposes"; to Post Office and Civil Service Committee. p. 14339
10. WHEAT PENALTIES. Rep. Hoffman inserted a newspaper editorial, "A Farmer Fights Wheat Penalties," discussing the case of a Mich. farmer "getting national attention because of his resistance to penalties imposed on him for violating commercial wheat quotas established" by this Department. p. 14314











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued August 1, 1958  
For actions of July 31, 1958  
85th-2d, No. 130

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HIGHLIGHTS: House subcommittee ordered reported cotton amendments to farm bill. Senate passed bills to: Provide accrued expenditure budgeting. Regulate withholding of information by agencies. Senator Humphrey criticized GAO ruling on REA loan authority. House committee ordered reported omnibus housing bill.

## HOUSE

1. FARM PROGRAM. The "Daily Digest" states that the Subcommittee on Cotton of the Agriculture Committee "met in executive session on provisions relating to cotton in S. 4071, re marketing programs for various agricultural commodities, and ordered reported to the full committee certain amendatory recommendations of the bill." pp. D770-71
2. HOUSING. The Banking and Currency Committee ordered reported with amendment S. 4035, the omnibus housing bill. p. D771
3. ONION FUTURES. Conferees agreed to file a conference report on H. R. 376, to prohibit trading in onion futures and remove onions from regulation under the Commodity Exchange Act. p. D771
4. PERSONNEL. A subcommittee of the Post Office and Civil Service Committee ordered reported with amendment H. R. 9407, to provide additional opportunity for certain employees to obtain career-conditional and career appointments in the competitive service. p. D771



5. **TRANSPORTATION.** The Merchant Marine and Fisheries Committee reported with amendment H. R. 474, to repeal Sec. 217 of the Merchant Marine Act of 1936 relating to the coordination of the forwarding and servicing of water-borne export and import foreign commerce of the U. S. (H. Rept. 2332), and H. R. 8382, to provide for the licensing of independent foreign freight forwarders (H. Rept. 2333), p. 14493
6. **MILITARY CONSTRUCTION.** Conferees were appointed on H. R. 13015, to authorize construction at military installations. Senate conferees have not been appointed. p. 14397  
Both Houses
7. **APPROPRIATIONS.** Agreed to the conference report on H. R. 12948, the D. C. appropriation bill for 1959, and insisted on its disagreement to two of the Senate amendments. pp. 14397-98, 14384, 14388-90. Ready for the President. Conferees were appointed on H. R. 12738, the Defense Department appropriation bill for 1959. Senate conferees have not been appointed. p. 14398
8. **FORESTRY.** Conferees were appointed on S. 3051, to provide for either private or Federal acquisition of that part of the Klamath Indian forest lands which must be sold. Senate conferees have been appointed. p. 14445
9. **ELECTRIFICATION.** The Public Works Committee was granted permission until midnight Fri., Aug. 1, to file a report on S. 1869, to provide TVA with the authority to issue bonds to finance the construction of new generating capacity. pp. 14485, 14490
10. **SMALL BUSINESS.** Rep. Kilburn was relieved as a conferee on S. 3651, to make equity capital and long-term credit more readily available for small-business concerns, and Rep. Betts was appointed in his place. p. 14485
11. **WATERSHEDS.** The Public Works Committee approved work plans for the following watershed projects: Alamo Arroyo and Diablo Arroyo, Tex.; Elm River, N. Dak.; Mud River, Ky.; Trampers Creek, N. Mex.; Dry Devils River, Lowery Draw, and Upper Lake Fork Creek, Tex.; Lower Willow Creek, Mont.; Whitegrass-Waterhole Creek, Okla.; and Little Schuylkill River, Pa. pp. 14445, 14493
12. **COMMITTEE ASSIGNMENTS.** Rep. Coudert resigned as a member of the Appropriations Committee, and Rep. Lipscomb was elected in his place. p. 14490
13. **SURPLUS COMMODITIES.** Both Houses received from this Department the monthly report of the General Sales Manager regarding sales of CCC surplus commodities. pp. 14492, 14342
14. **ATOMIC ENERGY.** Both Houses received the semiannual report of the Atomic Energy Commission. pp. 14492-93, 14342
15. **LEGISLATIVE PROGRAM.** Rep. McCormack announced that the Private Calendar will not be called Tues., Aug. 5. p. 14485

SENATE

16. **BUDGETING.** Passed, 68 to 6, as reported H. R. 8002, the accrued expenditures budgeting bill (pp. 14390-5).  
As passed by the Senate, the bill provides as follows: When the President determines that there is a satisfactory accrual-accounting system for an appropriation or fund account, his estimates shall be accompanied by a proposed accrued-expenditures limitation, and he may include proposed authorizations for











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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85th-2nd, No. 131

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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HIGHLIGHTS: See page 5.

## SENATE

1. TRANSPORTATION. Concurred in the House amendment to S. 3916, to extend until June 30, 1960, provisions of the Shipping Act of 1916 relating to dual rate contract arrangements. This bill will now be sent to the President. pp. 14513-14
2. WATER RESOURCES. Passed as reported S. 4021, to establish the U. S. Study Commission on the Savannah, Altamaha, St. Mary's Apalachicola-Chattahoochee, and Alabama-Coosa River Basins. pp. 14511-13
3. DEFENSE PRODUCTION. The Banking and Currency Committee reported without amendment S. 4162, to amend the Defense Production Act to provide for the cancellation of certain productive facility loans (S. Rept. 2091). p. 14496
4. ADMINISTRATIVE ORDERS. The Judiciary Committee ordered reported without amendment H. R. 6788, to authorize the abbreviation of the record on the review or enforcement of orders of administrative agencies by the courts of appeals and the review or enforcement of such orders on the original papers and to make uniform the laws relating thereto. p. D774



5. HUMANE SLAUGHTER. Sen. Humphrey commended the reaction of the American Meat Institute to passage of the humane slaughter bill, and inserted their news release in which they stated they would work to aid in providing for humane slaughter and discussed the provisions of the bill. pp. 14517-18
6. CIVIL DEFENSE. The name of Sen. Cotton was added as cosponsor to S. 4055, to establish survival depots for civil defense evacuees in time of war. p. 14499
7. FOOD DISTRIBUTION. Sen. Flanders criticized the cutting off of CARE packages to Egyptian children, and Sen. Humphrey concurred. pp. 14500-1
8. FARM PROGRAM. Sen. Humphrey inserted a letter from the Cochran County, Tex., Farm Bureau, which he stated showed opposition to the national Farm Bureau position. The letter urged CCC and price support, opposed free markets, pointed to the processor as the central cause of higher prices, and urged that cotton legislation be delayed until after the fall referendum. pp. 14504-05
9. LEGISLATIVE PROGRAM. Sen. Johnson announced that there would be a call of the calendar for unobjected-to measures on Mon., Aug. 4. p. 14495
10. ADJOURNED until Mon., Aug. 4. p. 14519

HOUSE

11. FARM PROGRAM. The "Daily Digest" states that the Agriculture Committee "adopted, by a vote of 28-0, various amendments to S. 4071, re marketing programs for various agricultural commodities" (p. D775). Rep. McCormack announced that this bill will be considered under suspension of the rules today, Aug. 4 (p. 14539). The Agriculture Committee was granted until midnight Sat. "to file reports on certain bills" (p. 14540). It is our understanding that the bill was reported during recess, pursuant to this authority.
12. FOOD STAMPS; FARM LABOR. The Agriculture Committee ordered reported H. R. 13067, to provide for the establishment of a food stamp plan for the distribution of \$1 billion worth of surplus food commodities a year to needy persons and families in the U. S., and H. R. 10360, with amendment, to continue for 2 years the authority for the Attorney General to permit the importation of aliens for agricultural employment. p. D775
13. SALINE WATER; RECLAMATION. A subcommittee of the Interior and Insular Affairs Committee ordered reported S. J. Res. 135, with amendment, to provide for the construction of a full-scale demonstration plant for the production, from sea waters, of water suitable for beneficial purposes, and S. 4009, to increase the amount authorized to be appropriated for the Washoe reclamation project, Nev. and Calif. p. D776
14. FAIR TRADE. A subcommittee of the Interstate and Foreign Commerce Committee ordered reported with amendment H. R. 10527, to amend the Federal Trade Commission Act so as to make it lawful to fix minimum resale prices and to enforce them by contracts. p. D776
15. SURPLUS PROPERTY. A subcommittee of the Government Operations Committee ordered reported with amendment H. R. 7929, to permit the donation of surplus property to voluntary fire-fighting organizations. p. D776



inconsistent with the duties, obligations, and fealty of a member of a union, or violation of sound trade-union principles." And the revealed use of the receivership or trustee device for internal political purposes to stifle local union autonomy is indefensible. Nor would anybody want to defend union disciplinary procedures by which it is possible for assailed autocratic leadership to act as accusers as well as judges. The fact that the upholsterers and the auto workers have established independent public review boards in disciplinary proceedings evidences recognition of the need for improving upon the past.

But improving upon the past is quite a different thing from placing union procedures in a doctrinaire straitjacket which cannot be altered to meet the exigencies of collective bargaining. Democracy without organization has brought about the fall of governments. It can make a shambles of responsibility in the field of collective bargaining, particularly in instances where a union leader is required to temper overzealous unionists whose demands he recognizes as unreasonable, or is obliged to concur in management's disciplinary action against a member, or is placed in the position of attempting to reconcile craft and industrial interests in the same bargaining unit. It is my hope that our deliberations in the field of trade-union democracy, as in regulatory labor legislation generally, will yield solutions which leave our system of collective bargaining in a healthy state.

#### PROGRAM FOR THE WEEK OF AUGUST 4

(Mr. MARTIN asked and was given permission to address the House for 1 minute.)

Mr. MARTIN. Mr. Speaker, I ask for this time in order to inquire of the majority leader concerning the program for the rest of the day and for next week.

Mr. McCORMACK. There is no further program for this afternoon.

The program for Monday is as follows: The Consent Calendar will be called. There are 20 bills under suspension, as follows:

S. 4071, agriculture, provide more effective marketing programs.

S. 4208, authorization, appropriation for Aeronautics and Space Administration.

S. 3880, create Federal Aviation Agency.

S. 166, veterans, education and training benefits.

S. 1698, veterans, filing claims, veterans' Readjustment Assistance Act, mustering-out payments.

H. R. 13559, veterans, war orphans, special training.

H. R. 13371, vessels, payments to revolving fund.

S. 1798, Alaska, vessels, inspection requirements.

H. R. 13153, vessels, ship-mortgage insurance—floating drydocks.

H. R. 8382, vessels, freight forwarders, foreign licensing.

H. R. 474, repeal section 217, Merchant Marine Act, 1936, as amended.

S. 2255, Merchant Marine Act, authorize investment of funds.

H. R. 8129, providing greater construction, private financing of vessels.

S. 1728, Maritime Academy Act of 1957.

H. R. 7866, amend title 28, United States Code, Court of Customs and Patent Appeals.

H. R. 13552, provides for the design of the flag of the United States.

H. R. 11056, agriculture, quality regulation of imports.

S. J. Res. 106, investigate radio and television frequencies.

S. 375, Interstate Commerce Act, filing of documents, motor vehicles.

H. R. 12876, extend title 7 of Public Health Act.

A number of those bills are very important pieces of legislation.

Mr. MARTIN. An inquiry was made if that is all the gentleman expects to call Monday.

Mr. McCORMACK. I think that is a very pertinent inquiry.

I have talked with my friend from Massachusetts about this. I was going to ask unanimous consent that if these bills are not completed under suspension on Monday it may be in order for the Speaker to recognize Members for that purpose on Tuesday.

Mr. MARTIN. I would have no objection to that, because I think the quicker we get the work done the sooner we can all go home. I understand that will include any additional suspensions that may come up.

Mr. McCORMACK. Exactly.

I submit that request, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. On Tuesday, if a rule is reported out on the bill to increase the public debt limit, that will come up then.

Then the bill H. R. 10045, to reconvey lands acquired for the Burke Airport. The gentleman from Illinois [Mr. ALLEN] had a colloquy with me last week about that. As a member of the Committee on Rules he requested that the bill be programmed and I told him I would, so I am programming it for Tuesday.

Any rollcall votes other than on rules on Monday or Tuesday will go over until Wednesday, because there are 4 or 5 primaries on Tuesday.

As to the remainder of the week, on Wednesday there will be the bill H. R. 13507, the Welfare and Pension Plans Disclosure Act. The program for the rest of the week is dependent upon rules, and if rules are reported out I will announce the program to the House just as soon as I can. The bills I have in mind are: H. R. 13247, the National Defense Education Act; S. 4035, the renewal of housing and urban communities bill; S. 3683, the distressed areas redevelopment bill; and the renegotiation bill.

Mr. WILLIAMS of Mississippi. Mr. Speaker, if the gentleman will yield, can he tell us what he has in mind for the bill H. R. 9521, from the Committee on Interstate and Foreign Commerce, on which a rule has been granted?

Mr. McCORMACK. That bill is very controversial. I feel I should bring up the important legislation on which action must be taken.

Mr. WILLIAMS of Mississippi. This legislation is rather important.

Mr. McCORMACK. That is a question of fact. This is coming up at the tail end of the session. The gentleman appreciates that fact. I would rather give the right-of-way to "must" legislation.

Mr. WILLIAMS of Mississippi. It is the gentleman's intention to bring this bill up before the close of the session?

Mr. McCORMACK. Intention and ability are two different things.

#### AMENDMENT OF ANTIDUMPING ACT

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight, Friday, August 1, to file a conference report and statement of the managers on the part of the House on H. R. 6006, a bill to amend certain provisions of the Antidumping Act.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The conference report and statement follow:

#### CONFERENCE REPORT (H. REPT. No. 2352)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6006) to amend certain provisions of the Antidumping Act, 1921, to provide for greater certainty, speed, and efficiency in the enforcement thereof, and for other purposes, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2 and 3, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(1) By inserting after the second sentence of subsection (a) thereof the following sentence: 'For the purposes of this subsection, the said Commission shall be deemed to have made an affirmative determination if the Commissioners of the said Commission voting are evenly divided as to whether its determination should be in the affirmative or in the negative.'"

And the Senate agree to the same.

W. D. MILLS,  
N. J. GREGORY,  
AIME J. FORAND,  
DANIEL A. REED,  
RICHARD M. SIMPSON,

*Managers on the Part of the House.*

HARRY F. BYRD,  
ROBERT S. KERR,  
CLINTON P. ANDERSON,  
EDWARD MARTIN,  
JOHN J. WILLIAMS,

*Managers on the Part of the Senate.*

#### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6006) to amend certain provisions of the Antidumping Act, 1921, to provide for greater certainty, speed, and efficiency in the enforcement thereof, and



for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: Under section 201 (a) of the Antidumping Act, 1921, whenever the Secretary of the Treasury determines that a class or kind of foreign merchandise is being (or is likely to be) sold in the United States or elsewhere at less than its fair value, he is required to so advise the United States Tariff Commission. Within 3 months thereafter the Tariff Commission is required to determine whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. After such investigation as it deems necessary, the Tariff Commission is required to notify the Secretary of the Treasury of its determination.

Senate amendment No. 1 added to the House bill a provision under which, for purposes of section 201 (a) of the Antidumping Act, the Tariff Commission shall be deemed to have made an affirmative determination if—

(1) The Commissioners of the said Commission voting are evenly divided as to whether its determination should be in the affirmative or in the negative, or

(2) The said Commission shall fail to make a determination within the said 3 months' period.

Under the conference agreement, for purposes of section 201 (a) of the Antidumping Act, the Tariff Commission shall be deemed to have made an affirmative determination if the Commissioners of the said Commission voting are evenly divided as to whether its determination should be in the affirmative or in the negative.

Amendments Nos. 2 and 3: These are clerical amendments. The House recedes.

W. D. MILLS,  
N. J. GREGORY,  
AIME J. FORAND,  
DANIEL A. REED,  
RICHARD M. SIMPSON,

*Managers on the Part of the House.*

#### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tomorrow in which to file reports on S. 3880, S. 875, and Senate Joint Resolution 106.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

#### IRENE MONTOYA

Mr. LANE submitted the following conference report and statement on the bill S. 493, for the relief of Irene Montoya:

##### CONFERENCE REPORT (H. REPT. NO. 2345)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 493) entitled "An act for the relief of Irene Montoya," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House and agree to the same.

THOMAS J. LANE,  
HAROLD D. DONOHUE,  
RICHARD H. POFF,

*Managers on the Part of the House.*

JOHN A. CARROLL,  
THOS. C. HENNING, JR.,  
ROMAN L. HRUSKA,

*Managers on the Part of the Senate.*

##### STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 493) entitled "An act for the relief of Irene Montoya," submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

As this bill passed the Senate it provided for payment of \$3,500 to the legal guardian of Irene Montoya. The House amended the bill by increasing the amount to \$7,500, by eliminating the provision for an attorney's fee, and providing that such payment should be final. Therefore, the Senate conferees concurred in the House action.

THOMAS J. LANE,  
HAROLD D. DONOHUE,  
RICHARD H. POFF,

*Managers on the Part of the House.*

#### COMMITTEE ON AGRICULTURE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight Saturday night to file reports on certain bills.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### COMMUNITY FACILITIES ACT

(Mr. FOGARTY (at the request of Mr. McCORMACK) was given permission to extend his remarks at this point in the RECORD.)

Mr. FOGARTY. Mr. Speaker, I rise to join my colleagues in support of this measure now before us and to outline to those opposed the urgent necessity for undelayed action in making the Community Facilities Act an actuality.

We are not over the hill yet in this depressed period through which we have been going for the last several months—not by any stretch of the imagination. The labor force in my small State of Rhode Island is suffering from acute and substantial labor surplus. According to the Department of Labor, Providence—

the State's major production and employment center—and Newport, a smaller area, cannot expect any marked change in the employment picture for the next few months. To these people who constitute the 12 percent unemployed in the city of Providence, and to others throughout the State, as well as in many other areas of the country, this depression is frighteningly real. For some, unemployment compensation has permitted a bare existence. For still others, compensation has ceased.

Gentlemen, I feel that it is incumbent upon this body to protect the general welfare of all its citizens and to take every conceivable avenue which may lead to a stabilized economy. I am sure most of you share this view. We have before us today an excellent opportunity to create employment while at the same time we assist local units of government to construct, repair, and improve public facilities. This is not a proposal to "make" work through unnecessary construction. The projects to be undertaken are either currently needed and overdue, or are predicated upon the increased population which all of the experts agree will most surely occur. The beneficial results of this legislation cannot be overemphasized.

First, the projects included under this bill—streets, highways, libraries, recreational facilities, hospitals, fire protection and police buildings, water and sewage facilities, to mention a few—are of such a nature that communities can begin construction immediately, thereby achieving needed employment within a short space of time.

Secondly, the facilities eligible for construction under this act are of urgent, immediate, necessity to many of our towns and cities today—regardless of population or geographical location.

Thirdly, the demand for construction materials will generate employment of other workers thus creating an increased demand for consumer and other goods. This is not conjecture; this is a proven economic principle. If there is any question as to the imperative urgency of stimulating economic activity, witness the latest reports on manufacturers' sales and factory orders. While June showed a slight increase over May, they are still 8 percent below June 1957 and backlogs of unfilled orders continue to decline.

The rapid increase in expenditures experienced by our State and local governments has posed serious financial problems. Taxes have been increased substantially since World War II. It would be virtually impossible to increase taxes in an amount sufficient to accommodate the growing needs of most communities. The only other source of capital for these governments is revenue bonds.

Interest rates generally have been steadily increasing. For this reason many communities have been completely stymied in their efforts to secure suffi-











## FARM BILL

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AUGUST 2, 1958.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. COOLEY, from the Committee on Agriculture submitted the following

## REPORT

[To accompany S. 4071]

The Committee on Agriculture, to whom was referred the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Agricultural Act of 1958".

### TITLE I—COTTON

#### PROGRAM FOR 1959 AND 1960

SEC. 101. The Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 102. Notwithstanding any other provisions of law—

"(a) for each of the 1959 and 1960 crops of upland cotton the Secretary of Agriculture is authorized and directed to offer the operator of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, a choice of (A) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, and price support determined pursuant to section 101 of this Act (the amount of cotton estimated to be produced on the additional acres allotted to producers selecting choice (B) for such year being taken into account in computing such support), except that for the 1959 crop the level of support shall be not less than 80 per centum of parity, or (B) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, increased by not to exceed 40 per centum (such increased acreage allotment to be the acreage allotment for the farm for all purposes) and price support at a level which is 15 per centum of parity below the level of support established for producers who elect choice (A). Any person operating more than one farm, in order to be eligible for choice (B), must elect choice (B) for all farms for which he is operator. Not later than January 31 the Secretary shall determine and



announce on the basis of his estimate of the supply percentage as of the following August 1, the price support level for producers who elect choice (A) and such price support level shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative levels of price support and the alternative acreage allotments available for his farm. The operator of each farm shall, within the time prescribed by the Secretary, notify the county committee in writing whether he desires the increased acreage allotment and the level of price support prescribed in choice (B) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have chosen the acreage allotment and the price support level prescribed in choice (A). The choice elected by the operator shall apply to all the producers on the farm. Notwithstanding the foregoing provisions of this subsection, the Secretary may permit the operator of a farm for which choice (B) is in effect to change to choice (A) where conditions beyond the control of the farm operator, such as excessive rain, flood, or drought, prevented the planting of acreage to cotton or having cotton acreage available for harvest on the farm in accordance with the plans of such operator in selecting choice (B). The additional acreage required to be allotted to farms under this section shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm acreage allotments. Notwithstanding any other provision of law, no farm participating in any cotton acreage reserve program established for 1959 under the Soil Bank Act shall receive an increased acreage allotment under the provisions of this section for 1959. Notwithstanding the provisions of section 344 (m) (2) any farm cotton acreage allotment increased as the result of the selection of choice (B) may not be released and reapportioned to any other farm. Price support shall be made available under this paragraph only to cooperators and only if producers have not disapproved marketing quotas for the crop.

"(b) for each of the 1959 and 1960 crops of upland cotton, price support shall be made available to producers who elect choice (A) through a purchase program. Price support shall be made available to producers who elect choice (B) through loans, purchases, or other operations.

"(c) the Commodity Credit Corporation is directed, during the period beginning August 1, 1959, and ending July 31, 1961, to offer any upland cotton owned by it for sale for unrestricted use at not less than 10 per centum above the current level of price support prescribed in choice (B)."

#### PRICE SUPPORT FOR 1961 AND SUBSEQUENT YEARS

SEC. 102. (a) The Agricultural Act of 1949, as amended, is amended by adding a new section 103 as follows:

"SEC. 103. Notwithstanding any other provision of law the level of price support for upland cotton shall be established by the Secretary, taking into consideration the factors set out in section 401 (b) of this Act, at not more than 90 per centum of the parity price therefor and not less than the following levels: For the 1961 crop not less than 70 per centum of such parity price and for the 1962 crop and thereafter not less than 65 per centum of such parity price, but in no event less than 30 cents per pound."

#### ACREAGE ALLOTMENTS AND MARKETING QUOTAS

SEC. 103. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 342 is amended by striking out the third sentence and by changing the period at the end of the second sentence to a colon and adding the following: "Provided, That beginning with the 1961 crop, the national marketing quota shall be not less than a number of bales equal to the estimated domestic consumption and estimated exports (less estimated imports) for the marketing year for which the quota is proclaimed, except that the Secretary shall make such adjustment in the amount of such quota as he determines necessary after taking into consideration the estimated stocks of cotton in the United States (including the qualities of such stocks) and stocks in foreign countries which would be available



for the marketing year for which the quota is being proclaimed if no adjustment of such quota is made hereunder, to assure the maintenance of adequate but not excessive stocks in the United States to provide a continuous and stable supply of the different qualities of cotton needed in the United States and in foreign cotton consuming countries, and for purposes of national security; but the Secretary, in making such adjustments, may not reduce the national marketing quota for any year below (i) one million bales less than the estimated domestic consumption and estimated exports for the marketing year for which such quota is being proclaimed, or (ii) ten million bales, whichever is larger."

(2) Section 342 is further amended by adding at the end thereof the following: "Notwithstanding any other provision of this Act, the national marketing quota for upland cotton for 1959 and subsequent years shall be not less than the number of bales required to provide a national acreage allotment for each such year of sixteen million acres."

(3) Section 347 (b) is amended by changing the period at the end of the second sentence to a colon and adding the following: "*Provided*, That, beginning with the 1961 crop of extra long staple cotton, such national marketing quota shall be an amount equal to (1) the estimated domestic consumption plus exports for the marketing year which begins in the next calendar year, less (2) the estimated imports, plus (3) such additional number of bales, if any, as the Secretary determines is necessary to assure adequate working stocks in trade channels until cotton from the next crop becomes readily available without resort to Commodity Credit Corporation stocks."

(4) The second sentence of section 344 (a) is amended by striking the word "five" and substituting the word "four".

#### MINIMUM FARM ALLOTMENTS

SEC. 104. (a) Section 344 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided*, That there is hereby established a national acreage reserve consisting of three hundred and ten thousand acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be one thousand acres). For the 1960 and succeeding crops of cotton, the needs of States (other than Nevada) for such additional acreage for such purpose may be estimated by the Secretary, after taking into consideration such needs as determined or estimated for the preceding crop of cotton and the size of the national acreage allotment for such crop. The additional acreage so apportioned to the State shall be apportioned to the counties on the basis of the needs of the counties for such additional acreage for such purpose, and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing provisions and under the last proviso in subsection (e) shall be determined or estimated as though allotments were first computed without regard to subsection (f) (1)."

(b) Section 344 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided further*, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined or estimated by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved under this subsection shall not be less than the smaller of (1) the remaining acreage so determined or estimated to be required for establishing minimum farm allotments or (2) 3 per centum of the State acreage allotment; and the acreage which is required to be reserved under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreages)."



(c) Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing paragraph (1) to read as follows:

"(1) Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) ten acres; or (B) the acreage allotment established for the farm for the 1958 crop."

(d) The first sentence of section 344 (f) (6) of such Act is amended to read as follows: "Notwithstanding the provisions of paragraph (2) of this subsection, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the remainder of the county acreage allotment (after making allotments as provided in paragraph (1) of this subsection) shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the three years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period. *Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 per centum of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 per centum limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein."

(e) The amendments made by this section shall be effective beginning with the 1959 crop.

SEC. 105. Effective beginning with the 1959 crop, section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph:

"(7) (A) In the event that any farm acreage allotment is less than that prescribed by paragraph (1), such acreage allotment shall be increased to the acreage prescribed by paragraph (1). The additional acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota.

"(B) Notwithstanding any other provision of law—

"(i) the acreage by which any farm acreage allotment for 1959 or any subsequent crop established under paragraph (1) exceeds the acreage which would have been allotted to such farm if its allotment had been computed on the basis of the same percentage factor applied to other farms in the county under paragraph (2), (6), or (8) shall not be taken into account in establishing the acreage allotment for such farm for any crop for which acreage is allotted to such farm under paragraph (2), (6), or (8); and acreage shall be allotted under paragraph (2), (6), or (8) to farms which did not receive 1958 crop allotments in excess of ten acres if and only if the Secretary determines (after considering the allotments to other farms in the county for such crop compared with their 1958 allotments and other relevant factors) that equity and justice require the allotment of additional acreage to such farm under paragraph (2), (6), or (8).

"(ii) the acreage by which any county acreage allotment for 1959 or any subsequent crop is increased from the national or State reserve on the basis of its needs for additional acreage for establishing minimum farm allotments shall not be taken into account in establishing future county acreage allotments, and

"(iii) the additional acreage allotted pursuant to subparagraph (A) of this paragraph (7) shall not be taken into account in establishing future State, county, or farm acreage allotments."

#### METHOD OF DETERMINING FARM ALLOTMENTS

SEC. 106. Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph:

"(8) Notwithstanding the foregoing provisions of paragraphs (2) and (6) of this subsection, the Secretary may, if he determines that such action will facilitate the effective administration of the provisions of the Act, provide for the county



acreage allotment for the 1959 and succeeding crops of cotton, less the acreage reserved under paragraph (3) of this subsection, to be apportioned to farms on which cotton has been planted in any one of the three years immediately preceding the year for which such allotment is determined, on the basis of the farm acreage allotment for the year immediately preceding the year for which such apportionment is made, adjusted as may be necessary (i) for any change in the acreage of cropland available for the production of cotton, or (ii) to meet the requirements of any provision (other than those contained in paragraphs (2) and (6)) with respect to the counting of acreage for history purposes."

#### RETENTION OF SURRENDERED ACREAGE IN COUNTY

SEC. 107. Paragraph (2) of section 344 (m) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end of the second sentence of such paragraph and inserting in lieu thereof the following: "; but no such acreage shall be surrendered to the State committee so long as any farmer receiving a cotton acreage allotment in such county desires additional cotton acreage."

#### STANDARD GRADE

SEC. 108. Section 3 (a) of the Act of August 29, 1949, Public Law 272, 81st Congress and the last sentence of section 403 of the Agricultural Act of 1949, as amended, are hereby repealed. This section shall become effective with the 1961 crop.

#### CCC SALES RESTRICTIONS

SEC. 109. Section 407 of the Agricultural Act of 1949, as amended, is amended by substituting a colon for the period at the end of the third sentence and adding at the end thereof the following: "*Provided*, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended."

#### COTTON EXPORT PROGRAM

SEC. 110. Nothing in this Act shall be construed to affect or modify the provisions of section 203 of the Agricultural Act of 1956, and any cotton owned or acquired by the Commodity Credit Corporation under any price-support program may be used for the purpose of carrying out the cotton-export program provided for in section 203 of the Agricultural Act of 1956.

#### SPLIT GRADES

SEC. 111. Section 403 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following sentence: "Beginning with the 1959 crop, in adjusting the support price for cotton on the basis of grade, the Secretary shall establish separate price support rates for split grades and for full grades substantially reflecting relative values."

### TITLE II—CORN AND FEED GRAINS

#### REFERENDUM

SEC. 201. Title I of the Agricultural Act of 1949, as amended, is further amended by adding at the end of such title the following:

"SEC. 104. (a) Not later than December 15, 1958, the Secretary shall conduct a referendum of producers of corn in the commercial corn-producing area to determine whether such producers favor a price support program as provided in subsection (b) of this section for the 1959 and subsequent crops in lieu of acreage allotments as provided in the Agricultural Adjustment Act of 1938, as amended, and price support as provided in section 101 of the Agricultural Act of 1949, as amended.



"(b) Notwithstanding any other provision of law, if a majority of the producers voting in the referendum conducted pursuant to subsection (a) hereof favor a price support program as provided in this subsection (b), the following provisions of law shall apply:

"DISCONTINUANCE OF ACREAGE ALLOTMENTS ON CORN

"(1) The Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new section:

"Sec. 330. Notwithstanding any other provision of law, acreage allotments and a commercial corn-producing area shall not be established for the 1959 and subsequent crops of corn."

"PRICE SUPPORT

"(2) The Agricultural Act of 1949, as amended, is amended by adding the following new section:

"Sec. 105 (a) Notwithstanding any other provision of law, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 per centum of the average price received by farmers during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins adjusted to offset the effect on such price of any abnormal quantities of low grade corn marketed during any of such year: *Provided*, That the level of price support for any crop of corn shall not be less than \$1.18 per bushel or 65 per centum of the parity price therefor, whichever is the higher.

"(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in Section 401 (b) hereof."

"(3) Section 101 (d) (4) of the Agricultural Act of 1949, as amended, is repealed effective with the 1959 crop."

### TITLE III—RICE

#### MINIMUM NATIONAL AND STATE ACREAGE ALLOTMENTS

SEC. 301. Section 353 (c) (6) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "1957 and 1958" in each place it occurs therein, and inserting "1957 and subsequent years".

#### PRICE SUPPORT

SEC. 302. (a) Section 101 (a) of the Agricultural Act of 1949, as amended, is amended, effective beginning with the 1959 crop—

(1) by striking out "wheat, and rice" and inserting "and wheat"; and

(2) by adding at the end thereof the following new paragraph: "For rice of the 1959 and 1960 crops, the level of support shall be not less than 75 per centum of the parity price. For rice of the 1961 crop the level of support shall be not less than 70 per centum of parity. For the 1962 and subsequent crops of rice the level of support shall be not less than 65 per centum of parity."

### TITLE IV—WOOL

SEC. 401. Section 703 of the National Wool Act of 1954 (68 Stat. 910) is amended by striking out "March 31, 1959" and inserting in lieu thereof "March 31, 1962".

SEC. 402. The first proviso in section 704 of such Act (68 Stat. 911) is amended by striking out "specific" the first time it appears therein, and by striking out "(whether or not such specific duties are parts of compound rates)".

SEC. 403. The proviso in section 705 of such Act (68 Stat. 911) is amended by striking out "specific" the first time it appears therein, and by striking out "(whether or not such specific duties are parts of compound rates)".



## TITLE V—MISCELLANEOUS

SEC. 501. The Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 377 the following new section:

"SEC. 378. (a) Notwithstanding any other provision of this Act, the allotment determined for any commodity for any land from which the owner is displaced because of acquisition of the land for any purpose, other than for the continued production of allotted crops, by any Federal, State, or other agency having the right of eminent domain shall be placed in an allotment pool and shall be available only for use in providing allotments for other farms owned by the owner so displaced. Upon application to the county committee, within three years after the date of such displacement, or three years after the enactment of this Act, whichever period is longer, any owner so displaced shall be entitled to have established for other farms owned by him allotments which are comparable with allotments determined for other farms in the same area which are similar except for the past acreage of the commodity, taking into consideration the land, labor, and equipment available for the production of the commodity, crop-rotation practices, and the soil and other physical factors affecting the production of the commodity: *Provided*, That the acreage used to establish or increase the allotments for such farms shall be transferred from the pool and shall not exceed the allotment most recently established for the farm acquired from the applicant and placed in the pool. During the period of eligibility for the making of allotments under this section for a displaced owner, acreage allotments for the farm from which the owner was so displaced shall be established in accordance with the procedure applicable to other farms, and such allotments shall be considered to have been fully planted. After such allotment is made under this section, the proportionate part, or all, as the case may be, of the past acreage used in establishing the allotment most recently placed in the pool for the farm from which the owner was so displaced shall be transferred to and considered for the purposes of future State, county, and farm acreage allotments to have been planted on the farm to which allotment is made under this section. Except where paragraph (c) requires the transfer of allotment to another portion of the same farm, for the purpose of this section (1) that part of any farm from which the owner is so displaced and that part from which he is not so displaced shall be considered as separate farms; and (2) an owner who voluntarily relinquishes possession of the land subsequent to its acquisition by an agency having the right of eminent domain shall be considered as having been displaced because of such acquisition.

"(b) The provisions of this section shall not be applicable if (1) there is any marketing quota penalty due with respect to the marketing of the commodity from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (2) any of the commodity produced on such farms has not been accounted for as required by the Secretary; or (3) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of the commodity produced on or marketed from such farm or due to a false acreage report.

"(c) This section shall not be applicable, in the case of cotton, tobacco, and peanuts, to any farm from which the owner was displaced prior to 1950, in the case of wheat and corn, to any farm from which the owner was displaced prior to 1954, and in the case of rice, to any farm from which the owner was displaced prior to 1955. In any case where the cropland acquired for nonfarming purposes from an owner by an agency having the right of eminent domain represents less than 15 per centum of the total cropland on the farm, the allotment attributable to that portion of the farm so acquired shall be transferred to that portion of the farm not so acquired."

"(d) Sections 313 (h), 334 (d), 344 (h), 353 (f) and 358 (h) of the Agricultural Adjustment Act of 1938, as amended, are repealed, but any transfer or reassignment of allotment heretofore made under the provisions of these sections shall remain in effect, and any displaced farm owner for whom an allotment has been established under such repealed sections shall not be eligible for additional allotment under subsection (a) of this section because of such displacement."

SEC. 502. Section 405 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "There is authorized to be included in the terms and conditions of any such nonrecourse loan a provision whereby on and after the maturity of the loan or any extension thereof Commodity Credit Corporation shall have the right to acquire title to the unredeemed collateral without obligation to pay for any market value which such collateral may have in excess of the loan indebtedness."



SEC. 503. Section 201 (b) of the Agricultural Act of 1949, as amended, is amended by changing the semi-colon at the end thereof to a colon and adding the following:

' *Provided*, That in any crop year in which the Secretary determines that the domestic production of tung oil will be less than the anticipated domestic demand for such oil, the price of tung nuts shall be supported at not less than 70 per centum of the parity price therefor;".

#### EXTEND VETERANS AND ARMED SERVICES MILK PROGRAM

SEC. 504. (a) The first sentence of section 202 (a) of the Agricultural Act of 1949, as amended (7 U. S. C. 1446a), is amended by striking out "1958" and inserting in lieu thereof "1961".

(b) Subsection (b) of section 202 of the Agricultural Act of 1949 (7 U. S. C. 1446a) is amended by striking out "1958" and inserting in lieu thereof "1961", by striking out "of the Army, Navy, or Air Force, and as a part of the ration" and inserting in lieu thereof "(1) of the Army, Navy, Air Force, or Coast Guard, (2)", and by inserting before the period at the end of the first sentence of such subsection the following: ", and (3) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy".

SEC. 505. The Commodity Credit Corporation is authorized, on such terms as the Secretary of Agriculture may approve, to donate cotton acquired through its price support operations to educational institutions for use in the training of students in the processing and manufacture of cotton into textiles.

#### SUMMARY

As amended by the committee, the bill reported herewith contains the following provisions:

(1) New acreage allotment—price-support programs for cotton and rice.

(2) A new price-support program for corn and feed grains (oats, rye, barley, and grain sorghums) to be effective if approved by corn farmers in a referendum.

(3) Extension of the Wool Act.

(4) Extension and amendment of the Armed Services dairy products program.

(5) An increase in the minimum-support level of tung nuts when tung oil is in deficit supply.

(6) A uniform provision for the transfer of acreage allotments when farmland is taken under the power of eminent domain.

(7) A provision relieving the Commodity Credit Corporation of the necessity of making "equity payments" when it takes title to a commodity securing a price-support loan.

#### TITLE I—COTTON

##### *Minimum national allotment*

The bill provides for a minimum national acreage allotment for cotton of 16 million acres beginning with the 1959 crop (plus 310,000 acres to take care of the 10-acre minimum allotments).

##### *1959 and 1960*

For the 1959 and 1960 crops of cotton, each individual farmer will have a choice between (A) his regular acreage allotment and price support as determined under present law (but not less than 80 percent of parity in 1959), or (B) an increase of up to 40 percent in his regular farm allotment (the exact amount of the permitted increase to be determined by the Secretary) with price support at 15 parity points lower than the level determined under present law for farmers



electing program (A). Price support to farmers who elect program (A) will be made available through a purchase program. Price support to farmers electing the (B) program will be carried out in the usual manner through loans, etc. CCC would be directed to offer cotton for sale for unrestricted use at not less than 10 percent above the price support level available to farmers who elect choice (B).

#### *After 1960*

After 1960, farmers will receive only their regular acreage allotment (there will be no (A) and (B) programs). The level of price support after 1960 will be established by the Secretary, taking into consideration the factors set out in section 401 (b) of the Agricultural Act of 1949, at not more than 90 percent of parity and not less than 70 percent of parity for the 1961 crop, and not less than 65 percent of parity for the 1962 crop and thereafter. In no event can the level of support be less than 30 cents per pound. Beginning in 1961, the average quality of the cotton crop (instead of 7/8-inch-middling) will be the standard quality for purposes of price support.

*Minimum national marketing quota.*—The bill provides for a minimum national marketing quota for cotton, after 1960, equal to estimated domestic consumption and exports less imports subject to such adjustment as will assure the maintenance of adequate but not excessive stocks, but the Secretary in making such adjustments may not reduce the national marketing quota for any year below the larger of (i) estimated domestic consumption and exports less 1 million bales or (ii) 10 million bales.

*Converting national marketing quotas to acreage allotments.*—The bill provides for the use of a 4-year yield instead of a 5-year yield in converting the national marketing quota to a national acreage allotment.

*Extra long staple cotton.*—Beginning with the 1961 crop, the national marketing quota for extra long staple cotton would be an amount equal to the estimated domestic consumption plus exports less imports, plus such additional number of bales as the Secretary determines is necessary to assure adequate working stocks until cotton from the next crop becomes readily available.

*Minimum farm allotments.*—The bill provides for permanent minimum farm upland cotton allotments of 10 acres or the 1958 acreage allotment established for the farm, whichever is smaller. Three hundred and ten thousand acres over and above the national acreage allotment are provided for apportionment to the States (1,000 acres to Nevada) to meet the States' needs for such minimum allotments, and such further acreage as may be necessary is authorized to be apportioned to the farm to increase each farm acreage allotment to the prescribed minimum.

*Method of determining farm allotment.*—The bill authorizes the Secretary to use the previous year's allotment (instead of tillable acreage or history) as a basis in making allotments if he determines that such action will facilitate effective administration.

*Retention of surrendered acreage in county.*—The bill provides that any cotton acreage which is surrendered shall be retained in the county and not surrendered to the State committee so long as any farmer in the county desires additional cotton acreage.

*CCC sales restrictions.*—Effective August 1, 1961, minimum prices for sales of CCC cotton for unrestricted use would be increased to



115 percent of support price plus reasonable carrying charges, except that CCC would be authorized to sell at the market price a number of bales equal to that by which the national marketing quota is less than domestic consumption and exports.

*Cotton export program.*—The bill provides that nothing in the act shall be construed to affect or modify the cotton export sales program provided for in section 203 of the Agricultural Act of 1956.

*Support of split grades.*—Beginning in 1959, the Department will be required to provide price supports adjusted to split grades (such as light and heavy spotted cotton) under both the purchase and loan programs.

#### TITLE II—CORN AND FEED GRAINS

##### *Referendum*

Not later than December 15, 1958, the Secretary will conduct a referendum of corn producers in the commercial area in which they will choose between the present acreage allotment and price-support program for corn and the new program provided in this bill. If a majority of the producers voting in that referendum favor the new program, the following provisions will become effective:

*Corn.*—Beginning with the 1959 crop, acreage allotments for corn would be discontinued and price support would be the highest of the following: (a) 90 percent of the average price received by farmers for the 3 preceding years, (b) 65 percent of parity, or (c) \$1.18 per bushel.

*Other feed grains.*—Beginning with the 1959 crop, price support for oats, rye, barley, and grain sorghums would be at a level which is fair and reasonable in relation to the price support for corn.

#### TITLE III—RICE

##### *Acreage allotments*

The minimum National and State acreage allotments presently in effect for rice would be extended permanently.

##### *Price supports*

Price supports for rice, beginning with the 1959 crop would be set by the Secretary, without regard to the "escalator provision" of the 1949 act at not more than 90 percent of parity and not less than the following levels: For 1959 and 1960 not less than 75 percent of parity; for 1961 not less than 70 percent of parity; and for 1962 and subsequent years not less than 65 percent of parity.

#### TITLE IV—WOOL

Title IV extends the National Wool Act for 3 years and approximately doubles the amount of money which will be available, in the event it is needed, for price-support payments. It does not change the level of permissible price support. This provision is the same as title IV of H. R. 12954, previously reported by this committee, and is discussed in more detail in that report.

#### TITLE V—MISCELLANEOUS

##### *Uniform acreage transfer law*

This is the same uniform acreage transfer provision which was included as section 801 of H. R. 12954, previously reported by this



committee. It provides a uniform law for the transfer of acreage allotments where farmland is acquired by an agency having the power of eminent domain. The provision was drafted by, and has the support of, the Department of Agriculture.

#### *Equity payments*

This provision is the same as section 802 of H. R. 12954, previously reported by this committee. It would authorize the Commodity Credit Corporation to acquire title to agricultural commodities on which nonrecourse price-support loans have been made without the necessity of computing and making so-called equity payments to the farmer. These payments are so small that the cost of administration usually exceeds the actual amount of the payment. The provision was drafted by the Department of Agriculture and transmitted to Congress with an executive communication recommending its enactment.

#### *Tung nuts*

Tung oil is an important material (declared a strategic material during World War II) of which the United States does not normally produce its full requirements. In spite of this domestic supply situation, however, the price of tung oil has recently been at unprofitably low levels due to the competition of imported oil. The Agricultural Act of 1949 now requires that tung oil be supported at 60 percent of parity and this amendment would require that the minimum support level be 70 percent of parity whenever domestic production is less than anticipated domestic demand. A similar provision was adopted by the committee as a committee amendment to H. R. 12954.

#### *Dairy products*

This provision extends and amends the program under which surplus dairy products are made available to the armed services. It extends the program for 2 years and provides that the Coast Guard and the United States Merchant Marine Academy may receive these commodities. The provisions are identical with provisions of H. R. 11178, which has previously been reported favorably by this committee.

#### *Cotton for training purposes*

Section 505 authorizes CCC on terms approved by the Secretary of Agriculture to donate cotton in its inventory to educational institutions for use in the training of students in the processing and manufacture of cotton into textiles. It is not anticipated that this amendment will ever involve donation of any substantial quantity of cotton. Enactment of this provision is supported by the Department of Agriculture.

#### COMPARISON WITH SENATE BILL

Following are the major differences between the bill as reported herewith by the Committee on Agriculture and the bill as it passed the Senate.

#### *Cotton program for 1959 and 1960*

Under the Senate bill, the 1959 level of price support for farmers electing the (A) program could have dropped as low as 75 percent of parity. The committee amendment puts a floor of 80 percent of parity under the support program for 1959. Under the Senate bill, the Secretary was required to offer an acreage increase of 40 percent



to farmers electing the (B) program. The committee amendment gives the Secretary discretion in the amount of additional acreage under the (B) program, providing that it shall be "not to exceed 40 per centum" above the (A) allotment.

*Cotton program for 1961 and subsequent years*

The Senate bill provided that cotton price supports beginning with the 1961 crop should be based on the average market price of the preceding 3 years. The committee amendment provides that the level of price support for 1961 and thereafter will continue to be based on parity.

*Standard grade for cotton*

The Senate bill provided that the standard grade of cotton for price support purposes, beginning in 1961, should be middling-1-inch cotton. The committee amendment provides that the standard grade for price-support purposes beginning in 1961 shall be the average quality of the crop, as is the case with all other commodities.

*Support of split grades of cotton*

The Senate bill contained no provision with reference to support of split grades of cotton, such as is provided in section 111 of the committee amendment.

*Purchase of cottonseed and soybean oil*

The Senate bill contained a provision authorizing the Commodity Credit Corporation to purchase during the 1959 and 1960 crop years an amount of soybean and cottonseed oil approximately equal to the quantity which would be produced on the increased cotton acreage under the (B) program and to donate this oil for relief purposes outside the United States. The committee amendment omits this provision in its entirety. The committee understands, however, that those interested in this matter are attempting to reach a compromise position with opponents of the measure and anticipates that this will be a matter for discussion in the committee of conference.

*Corn and feed grains*

The Senate bill contains no provision for a referendum such as is included in the committee amendment. The only other changes in the title relating to corn and feed grains are (a) that the minimum level of price support for corn is increased from \$1.10 a bushel or 60 percent of parity in the Senate bill to \$1.18 per bushel or 65 percent of parity in the committee amendment and (b) the floor of 60 percent of parity on feed grains is removed.

*Rice*

As in the case of cotton, the Senate bill provided that the level of price support for rice for 1961 and thereafter should be based on the average market price of the preceding 3 years. The committee amendment strikes out this formula and provides that in 1961 and thereafter price supports for rice will continue to be based on parity.

*Wheat allotment appeals*

The Senate bill contained a section (sec. 303) authorizing an additional special appeal period of 15 days after the enactment of this act for wheat farmers who are dissatisfied with their 1959 wheat



allotment. The committee amendment does not contain provision.

#### *Wool*

The Senate bill extended the National Wool Act for 4 years and changed somewhat the method of financing support payments thereunder. The provisions of the committee amendment extend the act for 3 years, continue the same method of financing support payments, but make some additional funds available for this purpose.

#### *Public Law 480*

The Senate bill includes a title amending and extending the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480). The language of this title appears to be identical with the language of the bill (S. 3420) which has heretofore been thoroughly considered by the House and which was passed by the House on July 23, 1958, with an amendment adopted by the House by a vote of 195 to 52. Inasmuch as this is a matter which has been acted upon by both Houses, it has been omitted from the committee amendment.

#### *New matter*

The Senate bill does not contain any provisions comparable to those appearing in title V of the committee amendment, viz.: uniform acreage transfer, equity payments, tung nuts, Armed Forces dairy products, and donation of cotton for training purposes.

### CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted in enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

## AGRICULTURAL ACT OF 1949

### TITLE 1—BASIC AGRICULTURAL COMMODITIES

SEC. 101. The Secretary of Agriculture (hereinafter called the "Secretary") is authorized and directed to make available through loans, purchases, or other operations, price support to cooperators for any crop of any basic agricultural commodity, if producers have not disapproved marketing quotas for such crop, at a level not in excess of 90 per centum of the parity price of the commodity nor less than the level provided in subsections (a), (b), and (c) as follows:

(a) For tobacco (except as otherwise provided herein), corn, [wheat, and rice] and wheat, if the supply percentage as of the beginning of the marketing year is:



*The level of support shall be not less than the following percentage of the parity price:*

|                                     |    |
|-------------------------------------|----|
| Not more than 102                   | 90 |
| More than 102 but not more than 104 | 89 |
| More than 104 but not more than 106 | 88 |
| More than 106 but not more than 108 | 87 |
| More than 108 but not more than 110 | 86 |
| More than 110 but not more than 112 | 85 |
| More than 112 but not more than 114 | 84 |
| More than 114 but not more than 116 | 83 |
| More than 116 but not more than 118 | 82 |
| More than 118 but not more than 120 | 81 |
| More than 120 but not more than 122 | 80 |
| More than 122 but not more than 124 | 79 |
| More than 124 but not more than 126 | 78 |
| More than 126 but not more than 128 | 77 |
| More than 128 but not more than 130 | 76 |
| More than 130                       | 75 |

*For rice of the 1959 and 1960 crops, the level of support shall be not less than 75 per centum of the parity price.*

\* \* \* \* \*

(d) Notwithstanding the foregoing provisions of this section—

\* \* \* \* \*

[(4) the level of price support for corn to cooperators outside the commercial corn-producing area shall be 75 per centum of the level of price support to cooperators in the commercial corn-producing area;]

\* \* \* \* \*

(8) *For rice of the 1961 and subsequent crops the level of support shall be 90 per centum of the average price received by farmers during the three calendar years immediately preceding the year in which the crop is harvested, but not less than \$4 per hundredweight or 60 per centum of the parity price therefor, whichever is higher.*

SEC. 102. *Notwithstanding any other provisions of law—*

(a) *for each of the 1959 and 1960 crops of upland cotton the Secretary of Agriculture is authorized and directed to offer the operator of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, a choice of (A) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, and price support determined pursuant to section 101 of this Act (the amount of cotton estimated to be produced on the additional acres allotted to producers selecting choice (B) for such year being taken into account in computing such support), or (B) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, increased by 40 per centum (such increased acreage allotment to be the acreage allotment for the farm for all purposes) and price support at a level which is 15 per centum of parity below the level of support established for producers who elect choice (A). Any person operating more than one farm, in order to be eligible for choice (B), must elect choice (B) for all farms for which he is operator. Not later than January 31 the Secretary shall determine and announce on the basis of his estimate of the supply percentage as of August 1, the price support level for producers who elect choice (A) and such price support level*



shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative levels of price support and the alternative acreage allotments available for his farm. The operator of each farm shall, within the time prescribed by the Secretary, notify the county committee in writing whether he desires the increased acreage allotment and the level of price support prescribed in choice (B) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have chosen the acreage allotment and the price support level prescribed in choice (A). The choice elected by the operator shall apply to all the producers on the farm. The additional acreage required to be allotted to farms under this section shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm acreage allotments. Notwithstanding any other provision of law, no farm participating in any cotton acreage reserve program established for 1959 under the Soil Bank Act shall receive an increased acreage allotment under the provisions of this section for 1959. Notwithstanding the provisions of section 344 (m) (2) any farm cotton acreage allotment increased as the result of the selection of choice (B) may not be released and reapportioned to any other farm. Price support shall be made available under this paragraph only to cooperators and only if producers have not disapproved marketing quotas for the crop.

(b) for each of the 1959 and 1960 crops of upland cotton, price support shall be made available to producers who elect choice (A) through a purchase program. Price support shall be made available to producers who elect choice (B) through loans, purchases, or other operations.

(c) the Commodity Credit Corporation is directed, during the period beginning August 1, 1959, and ending July 31, 1961, to offer any upland cotton owned by it for sale for unrestricted use at not less than 10 per centum above the current level of price support prescribed in choice (B).

SEC. 103. Notwithstanding any other provision of law, beginning with the 1961 crop, the level of price support to producers for each crop of upland cotton shall be 90 per centum of the average market price of middling one inch cotton in the designated spot markets in the case of upland cotton during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins, except that the level of price support for upland cotton shall not be less than 30 cents per pound or 60 per centum of the parity price therefor, whichever is higher. Price support shall be made available under this section only to cooperators and only if producers have not disapproved marketing quotas. Price support in the case of noncooperators and in case marketing quotas are disapproved shall be as provided in section 101 (d) (3) and (5). Middling one inch shall be the standard quality of upland cotton for purposes of price support under this section.



SEC. 104. (a) Notwithstanding any other provision of law, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 per centum of the average price received by farmers during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins adjusted to offset the effect on such price of any abnormal quantities of low grade corn marketed during any of such years: *Provided, That the level of price support for any crop of corn shall not be less than \$1.10 per bushel or 60 per centum of the parity price therefor, whichever is higher.*

(b) *Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level not less than 60 per centum of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, the normal price relationship between such commodity and corn, the location and storability of the commodity and other relevant factors.*

\* \* \* \* \*

SEC. 403. Appropriate adjustments may be made in the support price for any commodity for differences in grade, type, staple, quality, location, and other factors. Such adjustments shall, so far as practicable, be made in such manner that the average support price for such commodity, *except in the case of cotton*, will, on the basis of the anticipated incidence of such factors, be equal to the level of support determined as provided in this Act. [Middling seven-eighths-inch cotton shall be the standard grade for purposes of parity and price support.]

\* \* \* \* \*

SEC. 407. The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities, the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 5 per centum above the current support price for such commodity, plus reasonable carrying charges: *Provided, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended.* The foregoing restrictions shall not apply to (A) sales for new or byproduct uses; (B) sales of peanuts and oilseeds for the extraction of oil; (C) sales for seed or feed if such sales will not substantially impair any price-support program; (D) sales of



commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) sales for export; (G) sales of wool; and (H) sales for other than primary uses. Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U. S. C. 1855). Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making such commodity available beyond the cost of the commodities to the Corporation in store and the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State. Nor shall the foregoing restrictions apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the Corporation's operations because of the small quantities involved, or because of age, location or questionable continued storability, but such sales shall be offset by such purchases of commodities as the Corporation determines are necessary to prevent such sales from substantially impairing any price-support program, but in no event shall the purchase price exceed the then current support price for such commodities. For the purposes of this section, sales for export shall not only include sales made on condition that the identical commodities sold be exported, but shall also include sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw or processed form.

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### PUBLIC LAW 272, 81ST CONGRESS

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SEC. 3. [(a) Notwithstanding any other provision of law, Middling seven-eighths inch cotton shall be the standard grade for purposes of parity and price support].

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(NOTE.—Sec. 110 of the bill provides that nothing in the bill shall be construed to affect or modify the provisions of sec. 203 of the Agricultural Act of 1956, as follows:)

### AGRICULTURAL ACT OF 1956

\* \* \* \* \*

SEC. 203. In furtherance of the current policy of the Commodity Credit Corporation of offering surplus agricultural commodities for sale for export at competitive world prices, the Commodity Credit



Corporation is directed to use its existing powers and authorities immediately upon the enactment of this Act to encourage the export of cotton by offering to make cotton available at prices not in excess of the level of prices at which cottons of comparable qualities are being offered in substantial quantity by other exporting countries and, in any event, for the cotton marketing year beginning August 1, 1956, at prices not in excess of the minimum prices (plus carrying charges, beginning October 1, 1956, as established pursuant to Section 407 of the Agricultural Act of 1949) at which cottons of comparable qualities were sold under the export program announced by the United States Department of Agriculture on August 12, 1955. The Commodity Credit Corporation may accept bids in excess of the maximum prices specified herein but shall not reject bids at such maximum prices unless a higher bid is received for the same cotton. Cottons of qualities not comparable to those of cottons sold under the program announced on August 12, 1955, shall be offered at prices not in excess of the maximum prices prescribed hereunder for cottons of qualities comparable to those of cottons sold under such program, with appropriate adjustment for differences in quality. Such quantities of cotton shall be sold as will reestablish and maintain the fair historical share of the world market for United States cotton, said volume to be determined by the Secretary of Agriculture.

#### AGRICULTURAL ADJUSTMENT ACT OF 1938

\* \* \* \* \*

*SEC. 330. Notwithstanding any other provision of law, acreage allotments and a commercial corn-producing area shall not be established for the 1959 and subsequent crops of corn.*

\* \* \* \* \*

*SEC. 342. Whenever during any calendar year the Secretary determines that the total supply of cotton for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the number of bales of cotton (standard bales of five hundred pounds gross weight) adequate, together with (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year and (2) the estimated imports during such marketing year, to make available a normal supply of cotton. The national marketing quota for any year shall be not less than ten million bales or one million bales less than the estimated domestic consumption plus exports of cotton for the marketing year ending in the calendar year in which such quota is proclaimed, whichever is smaller: *Provided*, That the national marketing quota for 1950 shall be not less than the number of bales required to provide a national acreage allotment of twenty-one million acres.]: *Provided*, That beginning with 1961 crop, the national marketing quota shall be not less than a number of bales equal to the estimated domestic consumption and estimated exports (less estimated imports) for the marketing year for which the quota is proclaimed, except that the Secretary shall make such adjustment in the amount of such quota as he determines necessary after taking into consideration the estimated*



*stocks of cotton (that is, carryover and production) in the United States and foreign countries which would be available for the marketing year for which the quota is being proclaimed if no adjustment of such quota is made hereunder and the qualities of such stocks of cotton, to assure the maintenance of adequate but not excessive stocks in the United States to provide a continuous and stable supply of the different qualities of cotton needed in the United States and in foreign cotton consuming countries, and for purposes of national security but the Secretary, in making such adjustments, may not reduce the national marketing quota for any year below (i) one million bales less than the estimated domestic consumption and estimated exports for the marketing year for which such quota is being proclaimed, or (ii) ten million bales, whichever is larger. Such proclamation shall be made not later than October 15 of the calendar year in which such determination is made. Notwithstanding the foregoing provisions of this section, the national marketing quota for cotton for 1957 and 1958 shall be not less than the number of bales required to provide a national acreage allotment for 1957 and 1958 equal to the national acreage allotment for 1956: *Provided*, That if the acreage allotment for any State for 1957 or 1958 is less than its allotment for the preceding year by more than 1 per centum, such State allotment shall be increased so that the reduction shall not exceed 1 per centum per annum, and the acreage required for such increase shall be in addition to the national acreage allotment for such year. Additional acreage apportioned to a State for 1957 or 1958 under the foregoing proviso shall not be taken into account in establishing future State allotments. *Notwithstanding any other provision of this Act the national marketing quota for upland cotton for 1959 and subsequent years shall be not less than the number of bales required to provide a national acreage allotment for each such year of sixteen million acres.**

\* \* \* \* \*

SEC. 344. (a) Whenever a national marketing quota is proclaimed under section 342, the Secretary shall determine and proclaim a national acreage allotment for the crop of cotton to be produced in the next calendar year. The national acreage allotment for cotton shall be that acreage, based upon the national average yield per acre of cotton for the [five] *three* years immediately preceding the calendar year in which the national marketing quota is proclaimed, *adjusted for abnormal conditions and trends*, required to make available from such crop an amount of cotton equal to the national marketing quota.

(b) The national acreage allotment for cotton for 1953 and subsequent years shall be apportioned to the States on the basis of the acreage planted to cotton (including the acreage regarded as having been planted to cotton under the provisions of Public Law 12, Seventy-ninth Congress) during the five calendar years immediately preceding the calendar year in which the national marketing quota is proclaimed, with adjustments for abnormal weather conditions during such period: *Provided*, That there is hereby established a national acreage reserve consisting of three hundred and ten thousand acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be one thousand acres).



*For the 1960 and succeeding crops of cotton, the needs of States (other than Nevada) for such additional acreage for such purpose may be estimated by the Secretary, after taking into consideration such needs as determined or estimated for the preceding crop of cotton and the size of the national acreage allotment for such crop. The additional acreage so apportioned to the State shall be apportioned to the counties on the basis of the needs of the counties for such additional acreage for such purpose, and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing provision shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing provisions and under the last proviso in subsection (e) shall be determined or estimated as though allotments were first computed without regard to subsection (f) (1).*

\* \* \* \* \*

(e) The State acreage allotment for cotton shall be apportioned to counties on the same basis as to years and conditions as is applicable to the State under subsections (b), (c), and (d) of this section: *Provided*, That the State committee may reserve not to exceed 10 per centum of its State acreage allotment (15 per centum if the State's 1948 planted acreage was in excess of one million acres and less than half its 1943 allotment) which shall be used to make adjustments in county allotments for trends in acreage, for counties adversely affected by abnormal conditions affecting plantings, or for small or new farms, or to correct inequities in farm allotments and to prevent hardship: *Provided further*, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined or estimated by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved under this subsection shall not be less than the smaller of (1) the remaining acreage so determined or estimated to be required for establishing minimum farm allotments or (2) 3 per centum of the State acreage allotment; and the acreage which is required to be reserved under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreages).

(f) The county acreage allotment, less not to exceed the percentage provided for in paragraph (3) of this subsection, shall be apportioned to farms on which cotton has been planted (or regarded as having been planted under the provisions of Public Law 12, Seventy-ninth Congress) in any one of the three years immediately preceding the year for which such allotment is determined on the following basis:

(1) **[There]** *Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) **[five]** ten acres; or (B) the **[highest number of acres planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton in any year of such three-year period]** acreage allotment established for the farm for the 1958 crop.*



(2) The remainder shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) so that the allotment to each farm under this paragraph together with the amount of the allotment to such farm under paragraph (1) (A) shall be a prescribed percentage (which percentage shall be the same for all such farms in the county or administrative area) of the acreage, during the preceding year, on the farm which is tilled annually or in regular rotation, excluding from such acreage the acres devoted to the production of sugarcane for sugar; sugar beets for sugar; wheat, tobacco, or rice for market; peanuts picked and threshed; wheat or rice for feeding to livestock for market; or lands determined to be devoted primarily to orchards or vineyards, and nonirrigated lands in irrigated areas: *Provided, however,* That if a farm would be allotted under this paragraph an acreage together with the amount of the allotment to such farm under paragraph (1) (A) in excess of the largest acreage planted (and regarded as planted under Public Law 12, Seventy-ninth Congress) to cotton during any of the preceding three years, the acreage allotment for such farm shall not exceed such largest acreage so planted (and regarded as planted under Public Law 12, 79th Congress) in any such year.

(3) The county committee may reserve not in excess of 15 per centum of the county allotment \* \* \* which, in addition to the acreage made available under the proviso in subsection (e), shall be used for (A) establishing allotments for farms on which cotton was not planted (or regarded as planted under Public Law 12, Seventy-ninth Congress) during any of the three calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton; and (B) making adjustments of the farm acreage allotments established under paragraphs (1) and (2) of this subsection so as to establish allotments which are fair and reasonable in relation to the factors set forth in this paragraph and abnormal conditions of production on such farms, or in making adjustments in farm acreage allotments to correct inequities and to prevent hardships: *Provided,* That not less than 20 per centum of the acreage reserved under this subsection shall, to the extent required, be allotted, upon such basis as the Secretary deems fair and reasonable to farms (other than farms to which an allotment has been made under subsection (f) (1) (B)), if any, to which an allotment of not exceeding fifteen acres may be made under other provisions of this subsection.

\* \* \* \* \*

(6) Notwithstanding the [foregoing] provisions of *paragraph (2)* of this subsection [except paragraph (3)], if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the *remainder of the* county acreage allotment [less the acreage reserved under paragraph (3) of this subsection,] (*after making allotments as provided in paragraph (1) of this subsection*) shall be [apportioned] *allotted* to farms [on which cotton has been planted in any one of the three years immediately preceding the year for which such allotment is determined, on the basis of the acreage planted to cotton on the farm during such three-year period,



adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period: *Provided*, That the county committee may in its discretion (A) apportion such county allotment by first establishing minimum allotments in accordance with paragraph (1) of this subsection and by allotting the remaining acreage to farms other than those receiving an allotment under paragraph (1) (B) in accordance with the foregoing provisions of this paragraph and (B) *other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the three years immediately preceding the year for which such allotment is determined adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period; Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 per centum of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 per centum limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein. If the county acreage allotment is apportioned among the farms of the county in accordance with the provisions of this paragraph, the acreage reserved under paragraph (3) of this subsection may be used to make adjustments so as to establish allotments which are fair and reasonable to farms receiving allotments under this paragraph in return to the factors set forth in paragraph (3).

(7) (A) *In the event that any farm acreage allotment is less than that prescribed by paragraph (1), such acreage allotment shall be increased to the acreage prescribed by paragraph (1). The additional acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota.*

(B) *Notwithstanding any other provision of law—*

(i) *the acreage by which any farm acreage allotment for 1959 or any subsequent crop computed without regard to paragraph (1) is increased by reason of the application of paragraph (1) shall not be taken into account in establishing future acreage allotments for such farm.*

(ii) *the acreage by which any county acreage allotment for 1959 or any subsequent crop is increased from the national or State reserve on the basis of its needs for additional acreage for establishing minimum farm allotments shall not be taken into account in establishing future county acreage allotments, and*

(iii) *the additional acreage allotted pursuant to subparagraph (A) of this paragraph (7) shall not be taken into account in establishing future State, county, or farm acreage allotments.*

(8) *Notwithstanding the foregoing provisions of paragraphs (2) and (6) of this subsection, the Secretary may, if he determines that such action will facilitate the effective administration of the provisions of the Act,*



*provide for the county acreage allotment for the 1959 and succeeding crops of cotton, less the acreage reserved under paragraph (3) of this subsection, to be apportioned to farms on which cotton has been planted in any one of the three years immediately preceding the year for which such allotment is determined, on the basis of the farm acreage allotment for the year immediately preceding the year for which such apportionment is made, adjusted as may be necessary (i) for any change in the acreage of cropland available for the production of cotton, or (ii) to meet the requirements of any provisions (other than those contained in paragraphs (2) and (6)) with respect to the counting of acreage for history purposes.*

\* \* \* \* \*

(m) Notwithstanding any other provision of law—

\* \* \* \* \*

(2) Any part of any farm cotton acreage allotment on which cotton will not be planted and which is voluntarily surrendered to the county committee shall be deducted from the allotment to such farm and may be reapportioned by the county committee to other farms in the same county receiving allotments in amounts determined by the county committee to be fair and reasonable on the basis of past acreage of cotton, land, labor, equipment available for the production of cotton, crop rotation practices, and soil and other physical facilities affecting the production of cotton. If all of the allotted acreage voluntarily surrendered is not needed in the county, the county committee may surrender the excess acreage to the State committee to be used for the same purposes as the State acreage reserve under subsection (e) of this section; *but no such acreage shall be surrendered to the State committee so long as any farmer receiving a cotton acreage allotment in such county desires additional cotton acreage.* Any allotment transferred under this provision shall be regarded for the purposes of subsection (f) of this section as having been planted on the farm from which transferred rather than on the farm to which transferred, except that this shall not operate to make the farm from which the allotment was transferred eligible for an allotment as having cotton planted thereon during the three-year base period: *Provided, That notwithstanding any other provisions of law, any part of any farm acreage allotment may be permanently released in writing to the county committee by the owner and operator of the farm, and reapportioned as provided herein. Acreage surrendered, reapportioned under this paragraph, and planted shall be credited to the State and county in determining future acreage allotments. The provisions of this paragraph shall apply also to extra long staple cotton covered by section 347 of this Act.*

\* \* \* \* \*

SEC. 347. (a) Except as otherwise provided by this section, the provisions of the Part shall not apply to extra long staple cotton which is produced from pure strain varieties of the Barbados species, or any hybrid thereof, or other similar types of extra long staple cotton designated by the Secretary having characteristics needed for various end uses for which American upland cotton is not suitable, and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of such varieties or types.



(b) Whenever during any calendar year, not later than October 15, the Secretary determines that the total supply of cotton described in subsection (a) for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of such cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the quantity of cotton described in subsection (a) adequate to make available a normal supply of cotton, taking into account (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year, and (2) the estimated imports during such marketing year : *Provided, That beginning with the 1961 crop of extra long staple cotton, such national marketing quota shall be an amount equal to (1) the estimated domestic consumption plus exports for the marketing year which begins in the next calendar year, less (2) the estimated imports, plus (3) such additional number of bales, if any, as the Secretary determines is necessary to assure adequate working stocks in trade channels until cotton from the next crop becomes readily available without resort to Commodity Credit Corporation stocks.* The national marketing quota for cotton described in subsection (a) for any year shall not be less than the larger of thirty thousand bales or a number of bales equal to 30 per centum of the estimated domestic consumption plus exports of such cotton for the marketing year beginning in the calendar year in which such quota is proclaimed.

\*            \*            \*            \*            \*            \*

SEC. 353. \* \* \*

(c) Notwithstanding any other provisions of this Act—

\*            \*            \*            \*            \*            \*

(6) The national acreage allotments of rice for 1957 and **[1958]** *subsequent years* shall be not less than the national acreage allotment for 1956, including any acreage allotted under paragraph (5) of this subsection, and such national allotments for 1957 and **[1958]** *subsequent years* shall be apportioned among the States in the same proportion that they shared in the total acreage allotted in 1956.

### COMPARISON OF SECTION 104 OF THE BILL WITH SECTION 303 OF THE AGRICULTURAL ACT OF 1956

(Provisions of sec. 303 which are omitted from sec. 104 are enclosed in brackets, new matter contained only in sec. 104 is printed in italic, provisions contained in both secs. 303 and 104 are shown in roman:)

SEC. **[303]** 104. (a) Section 344 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided, That there is hereby established a national acreage reserve consisting of **[one hundred]** three hundred and ten thousand acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county*



acreage reserves (except that the amount apportioned to Nevada shall be one thousand acres) **[, and the]**. *For the 1960 and succeeding crops of cotton, the needs of States (other than Nevada) for such additional acreage for such purpose may be estimated by the Secretary, after taking into consideration such needs as determined or estimated for the preceding crop of cotton and the size of the national acreage allotment for such crop. The additional acreage so apportioned to the State shall be apportioned to the counties on the [same] basis of the needs of the counties for such additional acreage for such purpose, and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing [proviso] provisions and under the last proviso in subsection (e) shall be determined as though allotments were first computed without regard to subsection (f) (1)."*

(b) Section 344 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided further, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined or estimated by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved [by the State committee] under this subsection shall not be less than the smaller of (1) the remaining acreage so determined or estimated to be required for establishing minimum farm allotments or (2) 3 per centum of the State acreage allotment; and the acreage which [the State committee] is required to [reserve] be reserved under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreages).*"

(c) Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing paragraph (1) to read as follows:

"(1) Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) **[four] ten** acres; or (B) the **[highest number of acres planted to cotton in any year of such three-year period]** *the acreage allotment established for the farm for the 1958 crop.*"

(d) The first sentence of section 344 (f) (6) of such Act is amended to read as follows: "Notwithstanding the provisions of paragraph (2) of this subsection, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the remainder of the county acreage allotment (after making allotments as provided in paragraph (1) of this subsection) shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount



of the allotment of such farm under paragraph (1) (A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the three years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period: *Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 per centum of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 per centum limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein."

(e) The amendments made by this section shall be effective [only with respect to 1957 and 1958 crops] *beginning with the 1959 crop*. For the 1956 crop, an acreage in each State equal to the acreage allotted in such State which the Secretary determines will not be planted, placed in the acreage reserve or conservation reserve, or considered as planted under section 377 of the Agricultural Adjustment Act of 1938, as amended, may be apportioned by the Secretary among farms in such State having allotments of less than the smaller of the following: (1) four acres, or (2) the highest number of acres planted to cotton in any of the years 1953, 1954, and 1955.

## TITLE VII—NATIONAL WOOL ACT OF 1954

SEC. 703. The Secretary of Agriculture shall, through the Commodity Credit Corporation, support the prices of wool and mohair, respectively, to the producers thereof by means of loans, purchases, payments, or other operations. Such price support shall be limited to wool and mohair marketed during the period beginning April 1, 1955, and ending [March 31, 1959] *March 31, 1963*. The support price for shorn wool shall be at such incentive level as the Secretary, after consultation with producer representatives, and after taking into consideration prices paid and other cost conditions affecting sheep production, determines to be necessary in order to encourage an annual production consistent with the declared policy of this title: *Provided*, That the support price for shorn wool shall not exceed 110 per centum of the parity price therefor. If the support price so determined does not exceed 90 per centum of the parity price for shorn wool, the support price for shorn wool shall be at such level, not in excess of 90 per centum nor less than 60 per centum of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately three hundred and sixty million pounds of shorn wool. The support prices for pulled wool and for mohair shall be established at such levels, in relationship to the support price for shorn wool, as the Secretary determines will maintain normal marketing practices for pulled wool, and as the Secretary shall determine is necessary to maintain approximately the same percentage of parity for mohair as for shown wool. The deviation of mohair support prices shall not be calculated so as to cause it to rise or fall more



than 15 per centum above or below the comparable percentage of parity at which shorn wool is supported. Notwithstanding the foregoing, no price support shall be made available, other than through payments, at a level in excess of 90 per centum of the parity price for the commodity. The Secretary shall, to the extent practicable, announce the support price levels for wool and mohair sufficiently in advance of each marketing year as will permit producers to plan their production for such marketing year.

SEC. 704. If payments are utilized as a means of price support, the payments shall be such as the Secretary of Agriculture determines to be sufficient, when added to the national average price received by producers, to give producers a national average return for the commodity equal to the support price level therefor [Provided, That the total of all such payments made under this Act shall not at any time exceed an amount equal to 70 per centum of the accumulated totals, as of the same date, of the gross receipts from specific duties (whether or not such specific duties are parts of compound rates) collected on and after January 1, 1953, on all articles subject to duty under schedule 11 of the Tariff Act of 1930, as amended]. The payments shall be made upon wool and mohair marketed by the producers thereof, but any wool or mohair produced prior to January 1, 1955, shall not be the subject of payments. The payments shall be at such rates for the marketing year or periods thereof as the Secretary determines will give producers the support price level as herein provided. Payments to any producer need not be made if the Secretary determines that the amount of the payment to the producer or all producers is too small to justify the cost of making such payments. The Secretary may make the payment to producers through the marketing agency to or through whom the producer marketed his wool or mohair: *Provided*, That such marketing agency agrees to receive and promptly distribute the payments on behalf of such producers. In case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and provided by regulation. (7 U. S. C. 1783)

SEC. 705. For the purpose of reimbursing the Commodity Credit Corporation for any expenditures made by it in connection with payments to producers under this title, there is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1956, an amount equal to the total of expenditures made by the Corporation during the preceding fiscal year and to any amounts expended in prior fiscal years not previously reimbursed: *Provided, however*, That such amounts appropriated for any fiscal year shall not exceed 70 per centum of the gross receipts from specific duties (whether or not such specific duties are parts of compound rates) collected during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year on all articles subject to duty under schedule 11 of the Tariff Act of 1930, as amended. *In addition to the amounts appropriated by the foregoing sentence, there are hereby authorized to be appropriated such further amounts as may be necessary to carry out the purposes of this Act; but notwithstanding any prior announcement of the support level, no price support shall be made available*



*through payments for any marketing year (beginning with the marketing year beginning in 1959) at a level in excess of 85 per centum of the parity price for the commodity as of the beginning of such marketing year, if the Secretary in his best judgment determines that the expenditures to be made by the Commodity Credit Corporation in connection with payments to producers under this title with respect to wool and mohair marketed during such marketing year will exceed the percentum of gross receipts specified in the proviso of the foregoing sentence for the calendar year ending in such marketing year. The Secretary when determining the level of support to be announced in advance of the beginning of any marketing year, may estimate the parity price as of the beginning of such marketing year and the parity price so estimated shall be used and regarded as final for the purposes of the foregoing sentence. For the purposes of the appraisal under the Act of March 8, 1938, as amended (15 U. S. C. 713a-1), the Commodity Credit Corporation shall establish on its books an account receivable in an amount equal to any amount expended by Commodity Credit Corporation in connection with payments pursuant to this title which has not been reimbursed from appropriations made hereunder.*

## AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

### TITLE I—SALES FOR FOREIGN CURRENCY

\* \* \* \* \*

#### SEC. 103.

\* \* \* \* \*

(b) **Transactions shall not be carried out** *Agreements shall not be entered into under this title during any fiscal year which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of \$4,000,000,000 \$1,500,000,000, plus any amount by which agreements entered into in prior fiscal years (beginning with the fiscal year ending June 30, 1958) have called or will call for appropriations to reimburse the Commodity Credit Corporation in amounts less than authorized for such prior fiscal years. This limitation shall not be apportioned by year or by country, but shall be considered as an objective as well as a limitation, to be reached as rapidly as possible so long as the purposes of this Act can be achieved within the safeguards established.*

\* \* \* \* \*

SEC. 104. Notwithstanding section 1415 of the Supplement Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue under this title for one or more of the following purposes:

\* \* \* \* \*

(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)) and for the financing of programs for the interchange of persons under title II of the United States Information and Educational Exchange



*Act of 1948, as amended (22 U. S. C. 1446).* In the allocation of funds as among the various purposes set forth in this section, a special effort shall be made to provide for the purposes of this subsection, including a particular effort with regard to: (1) countries where adequate funds are not available from other sources for such purposes, and (2) countries where agreements can be negotiated to establish a fund with the interest and principal available over a period of years for such purposes, such special and particular effort to include the setting aside of such amounts from sale proceeds and loan repayments under this title, not in excess of \$1,000,000 a year in any one country for a period of not more than five years in advance, as may be determined by the Secretary of State to be required for the purposes of this subsection;

\* \* \* \* \*

*(l) For providing assistance, by grant or otherwise, in the expansion or operation in foreign countries of established schools, colleges, or universities founded or sponsored by citizens of the United States, for the purpose of enabling such educational institutions to carry on programs of vocational, professional, scientific, technological, or general education; and in the supporting of workshops in American studies or American educational techniques, and supporting chairs in American studies.*

\* \* \* \* \*

SEC. 109. No transaction shall be undertaken under authority of this title after June 30, [1958] 1960, except as required pursuant to agreements theretofore entered into pursuant to this title.

## TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

SEC. 204. No programs of assistance shall be undertaken under the authority of this title after June 30, [1958] 1960.

\* \* \* \* \*

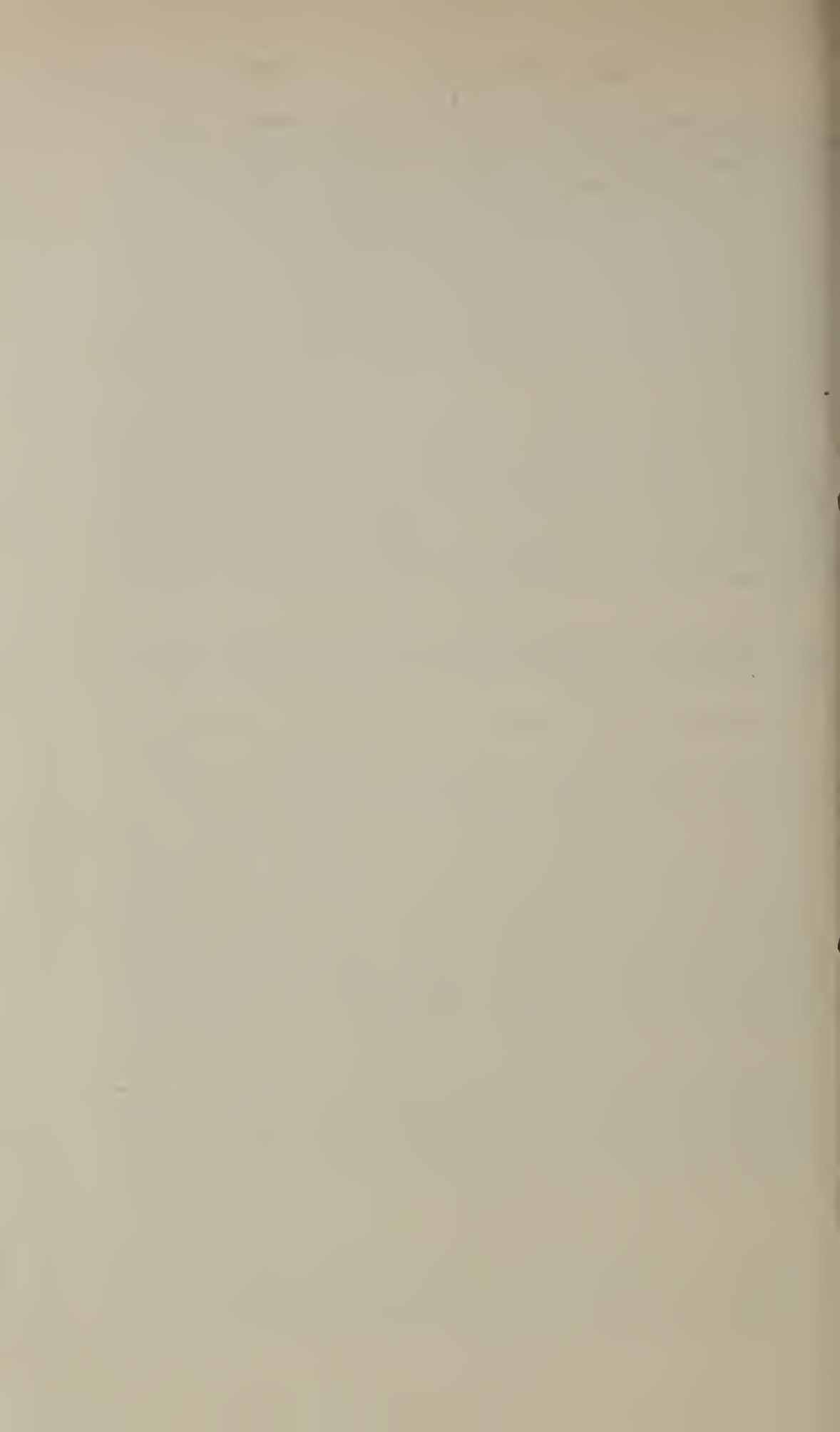
## AGRICULTURAL ACT OF 1956

### TRANSFER OF BARTERED MATERIALS TO SUPPLEMENTAL STOCKPILE

SEC. 206. (a) Strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural commodities or products, unless acquired for the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U. S. C. 98–98h), or for other purposes shall be transferred to the supplemental stockpile established by section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954; *but no strategic or critical material shall be acquired by the Commodity Credit Corporation as a result of such barter or exchange except for such national stockpile, for such supplemental stockpile, for foreign economic or military aid or assistance programs, or for offshore construction programs.*

○















85TH CONGRESS  
2D SESSION

# S. 4071

[Report No. 2356]

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## IN THE HOUSE OF REPRESENTATIVES

JULY 28, 1958

Referred to the Committee on Agriculture

AUGUST 2, 1958

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

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## AN ACT

To provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Agricultural Act of  
4       1958".

### TITLE I—COTTON

#### PROGRAM FOR 1959 AND 1960

7       SEC. 101. The ~~Agricultural~~ Act of 1949, as amended,  
8       is amended by adding the following new section:

9       "SEC. 102. Notwithstanding any other provisions of  
10      law—

11       "(a) for each of the 1959 and 1960 crops of



1 upland cotton the Secretary of Agriculture is authorized  
2 and directed to offer the operator of each farm for which  
3 an allotment is established under section 344 of the  
4 Agricultural Adjustment Act of 1938, as amended, a  
5 choice of ~~(A)~~ the farm acreage allotment determined  
6 pursuant to section 344 of the Agricultural Adjustment  
7 Act of 1938, as amended, and price support determined  
8 pursuant to section 101 of this Act ~~(the amount of~~  
9 cotton estimated to be produced on the additional acres  
10 allotted to producers selecting choice ~~(B)~~ for such year  
11 being taken into account in computing such support);  
12 or ~~(B)~~ the farm acreage allotment determined pursu-  
13 ant to section 344 of the Agricultural Adjustment Act  
14 of 1938, as amended, increased by 40 per centum ~~(such~~  
15 increased acreage allotment to be the acreage allotment  
16 for the farm for all purposes) and price support at a  
17 level which is 15 per centum of parity below the  
18 level of support established for producers who elect  
19 choice ~~(A)~~. Any person operating more than one  
20 farm, in order to be eligible for choice ~~(B)~~, must elect  
21 choice ~~(B)~~ for all farms for which he is operator. Not  
22 later than January 31 the Secretary shall determine  
23 and announce on the basis of his estimate of the supply  
24 percentage as of August 1, the price support level for  
25 producers who elect choice ~~(A)~~ and such price support



level shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative levels of price support and the alternative acreage allotments available for his farm. The operator of each farm shall, within the time prescribed by the Secretary, notify the county committee in writing whether he desires the increased acreage allotment and the level of price support prescribed in choice (B) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have chosen the acreage allotment and the price support level prescribed in choice (A). The choice elected by the operator shall apply to all the producers on the farm. The additional acreage required to be allotted to farms under this section shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm acreage allotments. Notwithstanding any other



1 provision of law, no farm participating in any cotton  
2 acreage reserve program established for 1959 under the  
3 Soil Bank Act shall receive an increased acreage allot-  
4 ment under the provisions of this section for 1959.  
5 Notwithstanding the provisions of section 344 (m) (2)  
6 any farm cotton acreage allotment increased as the  
7 result of the selection of choice (B) may not be released  
8 and reapportioned to any other farm. Price support  
9 shall be made available under this paragraph only to  
10 cooperators and only if producers have not disapproved  
11 marketing quotas for the crop.

12 “(b) for each of the 1959 and 1960 crops of upland  
13 cotton, price support shall be made available to producers  
14 who elect choice (A) through a purchase program.  
15 Price support shall be made available to producers who  
16 elect choice (B) through loans, purchases, or other  
17 operations.

18 “(c) the Commodity Credit Corporation is directed,  
19 during the period beginning August 1, 1959, and ending  
20 July 31, 1961, to offer any upland cotton owned by it  
21 for sale for unrestricted use at not less than 10 per  
22 centum above the current level of price support pre-  
23 scribed in choice (B).”



1        PRICE SUPPORT FOR 1961 AND SUBSEQUENT YEARS

2        SEC. 102. (a) The Agricultural Act of 1949, as  
3 amended, is amended by adding a new section 103 as  
4 follows:

5        "SEC. 103. Notwithstanding any other provision of law,  
6 beginning with the 1961 crop, the level of price support to  
7 producers for each crop of upland cotton shall be 90 per  
8 centum of the average market price of middling one inch  
9 cotton in the designated spot markets in the case of upland  
10 cotton during the three calendar years immediately preced-  
11 ing the calendar year in which the marketing year for such  
12 crop begins, except that the level of price support for upland  
13 cotton shall not be less than 30 cents per pound or 60 per  
14 centum of the parity price therefor, whichever is higher.  
15 Price support shall be made available under this section only  
16 to cooperators and only if producers have not disapproved  
17 marketing quotas. Price support in the case of noncoopera-  
18 tors and in case marketing quotas are disapproved shall be  
19 as provided in section 101 (d) (3) and (5). Middling one  
20 inch shall be the standard quality of upland cotton for  
21 purposes of price support under this section."



## 1       ACREAGE ALLOTMENTS AND MARKETING QUOTAS

2       SEC. 103. The Agricultural Adjustment Act of 1938,  
3 as amended, is amended as follows:

4       (1) Section 342 is amended by striking out the third  
5 sentence and by changing the period at the end of the sec-  
6 ond sentence to a colon and adding the following: *Pro-*  
7 *vided*, That beginning with the 1961 crop, the national mar-  
8 keting quota shall be not less than a number of bales equal  
9 to the estimated domestic consumption and estimated ex-  
10 ports (less estimated imports) for the marketing year for  
11 which the quota is proclaimed, except that the Secretary  
12 shall make such adjustment in the amount of such quota as  
13 he determines necessary after taking into consideration the  
14 estimated stocks of cotton in the United States (including  
15 the qualities of such stocks) and the stocks in foreign  
16 countries which would be available for the marketing year  
17 for which the quota is being proclaimed if no adjustment  
18 of such quota is made hereunder, to assure the mainte-  
19 nance of adequate but not excessive stocks in the United  
20 States to provide a continuous and stable supply of the  
21 different qualities of cotton needed in the United States  
22 and in foreign cotton consuming countries, and for purposes  
23 of national security; but the Secretary, in making such ad-  
24 justments, may not reduce the national marketing quota for  
25 any year below (i) one million bales less than the estimated



1 domestic consumption and estimated exports for the market-  
 2 ing year for which such quota is being proclaimed, or (ii)-  
 3 ten million bales, whichever is larger."

4 ~~(2)~~ Section 342 is further amended by adding at the  
 5 end thereof the following: "Notwithstanding any other pro-  
 6 vision of this Act, the national marketing quota for upland  
 7 cotton for 1959 and subsequent years shall be not less than  
 8 the number of bales required to provide a national acreage  
 9 allotment for each such year of sixteen million acres."

10 ~~(3)~~ Section 347 ~~(b)~~ is amended by changing the  
 11 period at the end of the second sentence to a colon and adding  
 12 the following: "*Provided*, That beginning with the 1961  
 13 crop of extra long staple cotton, such national marketing  
 14 quota shall be an amount equal to ~~(1)~~ the estimated domes-  
 15 tic consumption plus exports for the marketing year which  
 16 begins in the next calendar year, less ~~(2)~~ the estimated  
 17 imports, plus ~~(3)~~ such additional number of bales, if any,  
 18 as the Secretary determines is necessary to assure adequate  
 19 working stocks in trade channels until cotton from the next  
 20 crop becomes readily available without resort to Commodity  
 21 Credit Corporation stocks."

22 ~~(4)~~ The second sentence of section 344 ~~(a)~~ is amended  
 23 by striking the word "five" and substituting the word  
 24 "three" and by inserting after the second comma "adjusted  
 25 for abnormal conditions and trends,"



## 1                    MINIMUM FARM ALLOTMENTS

2            SEC. 104. (a) Section 344 (b) of the Agricultural  
3 Adjustment Act of 1938, as amended, is amended by insert-  
4 ing before the period at the end thereof a colon and the fol-  
5 lowing: "*Provided*, That there is hereby established a na-  
6 tional acreage reserve consisting of three hundred and ten  
7 thousand acres which shall be in addition to the national  
8 acreage allotment; and such reserve shall be apportioned to  
9 the States on the basis of their needs for additional acreage  
10 for establishing minimum farm allotments under subsection  
11 (f) (1), as determined by the Secretary without regard to  
12 State and county acreage reserves (except that the amount  
13 apportioned to Nevada shall be one thousand acres). For  
14 the 1960 and succeeding crops of cotton, the needs of States  
15 (other than Nevada) for such additional acreage for such  
16 purpose may be estimated by the Secretary, after taking  
17 into consideration such needs as determined or estimated  
18 for the preceding crop of cotton and the size of the national  
19 acreage allotment for such crop. The additional acreage  
20 so apportioned to the State shall be apportioned to the coun-  
21 ties on the basis of the needs of the counties for such addi-  
22 tional acreage for such purpose, and added to the county  
23 acreage allotment for apportionment to farms pursuant to  
24 subsection (f) of this section (except that no part of such  
25 additional acreage shall be used to increase the county re-



1 serve above 15 per centum of the county allotment deter-  
 2 mined without regard to such additional acreage). Addi-  
 3 tional acreage apportioned to a State for any year under  
 4 the foregoing proviso shall not be taken into account in  
 5 establishing future State acreage allotments. Needs for  
 6 additional acreage under the foregoing provisions and under  
 7 the last proviso in subsection (c) shall be determined or  
 8 estimated as though allotments were first computed without  
 9 regard to subsection (f) (1)."

10 (b) Section 344 (c) of the Agricultural Adjustment  
 11 Act of 1938, as amended, is amended by inserting before  
 12 the period at the end thereof a colon and the following:  
 13 "*Provided further*, That if the additional acreage allocated  
 14 to a State under the proviso in subsection (b) is less than  
 15 the requirements as determined or estimated by the Secre-  
 16 tary for establishing minimum farm allotments for the State  
 17 under subsection (f) (1), the acreage reserved under this  
 18 subsection shall not be less than the smaller of (1) the  
 19 remaining acreage so determined or estimated to be required  
 20 for establishing minimum farm allotments or (2) 3 per  
 21 centum of the State acreage allotment; and the acreage  
 22 which is required to be reserved under this proviso shall  
 23 be allocated to counties on the basis of their needs for addi-  
 24 tional acreage for establishing minimum farm allotments



1 under subsection ~~(f)~~ ~~(1)~~, and added to the county acreage  
2 allotment for apportionment to farms pursuant to subsection  
3 ~~(f)~~ of this section ~~(except that no part of such additional~~  
4 ~~acreage shall be used to increase the county reserve above~~  
5 ~~15 per centum of the county allotment determined without~~  
6 ~~regard to such additional acreages).~~”

7 ~~(c)~~ Section 344 ~~(f)~~ of the Agricultural Adjustment  
8 Act of 1938, as amended, is amended by changing para-  
9 graph ~~(1)~~ to read as follows:

10 “~~(1)~~ Insofar as such acreage is available, there shall  
11 be allotted the smaller of the following: ~~(A)~~ ten acres;  
12 or ~~(B)~~ the acreage allotment established for the farm for  
13 the 1958 crop.”

14 ~~(d)~~ The first sentence of section 344 ~~(f)~~ ~~(6)~~ of such  
15 Act is amended to read as follows: “Notwithstanding the  
16 provisions of paragraph ~~(2)~~ of this subsection, if the county  
17 committee recommends such action and the Secretary deter-  
18 mines that such action will result in a more equitable distri-  
19 bution of the county allotment among farms in the county,  
20 the remainder of the county acreage allotment ~~(after making~~  
21 ~~allotments as provided in paragraph (1) of this subsection)~~  
22 shall be allotted to farms other than farms to which an  
23 allotment has been made under paragraph ~~(1)~~ ~~(B)~~ of this  
24 subsection so that the allotment to each farm under this  
25 paragraph together with the amount of the allotment of



1 such farm under paragraph ~~(1)~~ ~~(A)~~ of this subsection  
 2 shall be a prescribed percentage ~~(which percentage shall~~  
 3 ~~be the same for all such farms in the county)~~ of the average  
 4 acreage planted to cotton on the farm during the three years  
 5 immediately preceding the year for which such allotment is  
 6 determined, adjusted as may be necessary for abnormal  
 7 conditions affecting plantings during such three-year period:  
 8 *Provided*, That the county committee may in its discretion  
 9 limit any farm acreage allotment established under the pro-  
 10 visions of this paragraph for any year to an acreage not in  
 11 excess of 50 per centum of the cropland on the farm, as  
 12 determined pursuant to the provisions of paragraph ~~(2)~~  
 13 of this subsection: *Provided further*, That any part of the  
 14 county acreage allotment not apportioned under this para-  
 15 graph by reason of the initial application of such 50 per  
 16 centum limitation shall be added to the county acreage  
 17 reserve under paragraph ~~(3)~~ of this subsection and shall  
 18 be available for the purposes specified therein."

19 ~~(e)~~ The amendments made by this section shall be  
 20 effective beginning with the 1959 crop.

21 SEC. 105. Effective beginning with the 1959 crop, sec-  
 22 tion 344 ~~(f)~~ of the Agricultural Adjustment Act of 1938,  
 23 as amended, is amended by adding at the end thereof the  
 24 following new paragraph:

25 "~~(7)~~ ~~(A)~~ In the event that any farm acreage allot-



1 ment is less than that prescribed by paragraph (1), such  
 2 acreage allotment shall be increased to the acreage prescribed  
 3 by paragraph (1). The additional acreage required to be  
 4 allotted to farms under this paragraph shall be in addition to  
 5 the county, State, and national acreage allotments and the  
 6 production from such acreage shall be in addition to the na-  
 7 tional marketing quota.

8 “(B) Notwithstanding any other provision of law—

9 “(i) the acreage by which any farm acreage allot-  
 10 ment for 1959 or any subsequent crop computed without  
 11 regard to paragraph (1) is increased by reason of the  
 12 application of paragraph (1) shall not be taken into  
 13 account in establishing future acreage allotments for  
 14 such farm;

15 “(ii) the acreage by which any county acreage  
 16 allotment for 1959 or any subsequent crop is increased  
 17 from the national or State reserve on the basis of its  
 18 needs for additional acreage for establishing minimum  
 19 farm allotments shall not be taken into account in estab-  
 20 lishing future county acreage allotments; and

21 “(iii) the additional acreage allotted pursuant to  
 22 subparagraph (A) of this paragraph (7) shall not be  
 23 taken into account in establishing future State, county,  
 24 or farm acreage allotments.”



## 1       METHOD OF DETERMINING FARM ALLOTMENTS

2       SEC. 106. Section 344 (f) of the Agricultural Adjust-  
3       ment Act of 1938, as amended, is amended by adding at the  
4       end thereof the following new paragraph:

5       “(8) Notwithstanding the foregoing provisions of para-  
6       graphs (2) and (6) of this subsection, the Secretary may,  
7       if he determines that such action will facilitate the effective  
8       administration of the provisions of the Act, provide for the  
9       county acreage allotment for the 1959 and succeeding crops  
10      of cotton, less the acreage reserved under paragraph (3)  
11      of this subsection, to be apportioned to farms on which  
12      cotton has been planted in any one of the three years im-  
13      mediately preceding the year for which such allotment is  
14      determined, on the basis of the farm acreage allotment for  
15      the year immediately preceding the year for which such  
16      apportionment is made, adjusted as may be necessary (i)  
17      for any change in the acreage of cropland available for the  
18      production of cotton, or (ii) to meet the requirements of  
19      any provision (other than those contained in paragraphs  
20      (2) and (6)) with respect to the counting of acreage for  
21      history purposes.”

## 22      RETENTION OF SURRENDERED ACREAGE IN COUNTY

23      SEC. 107. Paragraph (2) of section 344 (m) of the  
24      Agricultural Adjustment Act of 1938, as amended, is



1 amended by striking out the period at the end of the second  
 2 sentence of such paragraph and inserting in lieu thereof the  
 3 following: “; but no such acreage shall be surrendered to  
 4 the State committee so long as any farmer receiving a cotton  
 5 acreage allotment in such county desires additional cotton  
 6 acreage.”

#### 7 STANDARD GRADE

8 SEC. 108. Section 3 (a) of the Act of August 29, 1949,  
 9 Public Law 272, 81st Congress and the last sentence of  
 10 section 403 of the Agricultural Act of 1949, as amended,  
 11 are hereby repealed. Such section 403 is further amended  
 12 by inserting “; except in the case of cotton,” after the word  
 13 “commodity” in the second sentence thereof. This section  
 14 shall become effective with the 1961 crop.

#### 15 CCC SALES RESTRICTIONS

16 SEC. 109. Section 407 of the Agricultural Act of 1949,  
 17 as amended, is amended by substituting a colon for the  
 18 period at the end of the third sentence and adding at the end  
 19 thereof the following: “*Provided*, That effective with the  
 20 beginning of the marketing year for the 1961 crop, the Cor-  
 21 poration shall not sell any upland or extra long staple cotton  
 22 for unrestricted use at less than 15 per centum above the  
 23 current support price for cotton plus reasonable carrying  
 24 charges, except that the Corporation may, in any orderly  
 25 manner and so as not to affect market prices unduly, sell for



1 unrestricted use at the market price at the time of sale a  
 2 number of bales of cotton equal to the number of bales by  
 3 which the national marketing quota for such marketing  
 4 year is reduced below the estimated domestic consumption  
 5 and exports for such marketing year pursuant to the pro-  
 6 visions of section 342 of the Agricultural Adjustment Act  
 7 of 1938, as amended."

8 COTTON EXPORT PROGRAM

9 SEC. 110. Nothing in this Act shall be construed to  
 10 affect or modify the provisions of section 203 of the Agri-  
 11 cultural Act of 1956, and any cotton owned or acquired by  
 12 the Commodity Credit Corporation under any price support  
 13 program may be used for the purpose of carrying out the  
 14 cotton export program provided for in section 203 of the  
 15 Agricultural Act of 1956.

16 PURCHASE OF COTTONSEED AND SOYBEAN OIL

17 SEC. 111. The Secretary of Agriculture shall estimate  
 18 for the 1959 crop and 1960 crop of oil seeds, respectively,  
 19 the amount by which the total production of oil from such  
 20 crop will be increased by reason of the production of cotton  
 21 on the increased acreage allotted to farmers who elect choice  
 22 (B) under section 102 of the Agricultural Act of 1949, as  
 23 amended by this Act. In making such estimate the Secre-  
 24 tary shall make due allowance for any reduction in the  
 25 acreage of soybeans which may result from the expansion



1 in the acreage of cotton. Commodity Credit Corporation  
2 may, during the marketing year for the 1959 crop and 1960  
3 crop of cotton, respectively, purchase an amount of oil pro-  
4 duced from cottonseed or soybeans approximately equal to  
5 the increase in the amount of oil so estimated for such crop  
6 of oil seeds by the Secretary. The oil if purchased shall  
7 be donated to nonprofit voluntary agencies registered with  
8 the Department of State, other appropriate agencies of the  
9 Federal Government or international organizations for use  
10 in the assistance of needy persons outside the United States.  
11 Commodity Credit Corporation may incur such additional  
12 costs with respect to such oil as it is authorized to incur  
13 with respect to food commodities disposed of under section  
14 416 of the Agricultural Act of 1949.

## 15 TITLE II—CORN AND FEED GRAINS

### 16 DISCONTINUANCE OF ACREAGE ALLOTMENTS ON CORN

17 SEC. 201. The Agricultural Adjustment Act of 1938,  
18 as amended, is amended by adding the following new sec-  
19 tion:

20 "SEC. 330. Notwithstanding any other provision of law,  
21 acreage allotments and a commercial corn-producing area  
22 shall not be established for the 1959 and subsequent crops of  
23 corn."



## PRICE SUPPORT

SEC. 202. The Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 104. (a) Notwithstanding any other provision of law, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 per centum of the average price received by farmers during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins adjusted to offset the effect on such price of any abnormal quantities of low grade corn marketed during any of such years: *Provided*, That the level of price support for any crop of corn shall not be less than \$1.10 per bushel or 60 per centum of the parity price therefor, whichever is the higher.

"(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level not less than 60 per centum of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such



1 commodity in relation to corn, the normal price relationship  
 2 between such commodity and corn, the location and stora-  
 3 bility of the commodity and other relevant factors.”

4 SEC. 203. Section 101 (d) (1) of the Agricultural  
 5 Act of 1949, as amended, is repealed effective with the 1959  
 6 crop.

### 7 TITLE III—RICE

#### 8 MINIMUM NATIONAL AND STATE ACREAGE ALLOTMENTS

9 SEC. 301. Section 353 (c) (6) of the Agricultural  
 10 Adjustment Act of 1938, as amended, is amended by strik-  
 11 ing out “1957 and 1958” in each place it occurs therein,  
 12 and inserting “1957 and subsequent years”.

#### 13 PRICE SUPPORT

14 SEC. 302. (a) Section 101 (a) of the Agricultural Act  
 15 of 1949, as amended, is amended, effective beginning with  
 16 the 1959 crop—

17 (1) by striking out “wheat, and rice” and insert-  
 18 ing “and wheat”; and

19 (2) by adding at the end thereof the following new  
 20 paragraph: “For rice of the 1959 and 1960 crops, the  
 21 level of support shall be not less than 75 per centum  
 22 of the parity price.”

23 (b) Section 101 (d) of the Agricultural Act of 1949,  
 24 as amended, is amended by adding at the end thereof the  
 25 following new paragraph:



1       “(8) For rice of the 1961 and subsequent crops the  
2 level of support shall be 90 per centum of the average price  
3 received by farmers during the three calendar years im-  
4 mediately preceding the year in which the crop is harvested,  
5 but not less than \$4 per hundredweight or 60 per centum  
6 of the parity price therefor, whichever is higher.”

7       SEC. 303. Notwithstanding any other provision of law,  
8 any farmer who is dissatisfied with his farm acreage allot-  
9 ment for the 1959 crop of wheat may, within fifteen days  
10 after mailing to him of notice as provided in section 362 of  
11 the Agricultural Adjustment Act of 1938, as amended, or  
12 within fifteen days after the effective date of this Act,  
13 whichever is later, have such allotment reviewed in accord-  
14 ance with the provisions of said Act.

#### 15                   TITLE IV—WOOL

16       SEC. 401. (a) Section 703 of the National Wool Act  
17 of 1954 is amended by striking out “March 31, 1959” and  
18 inserting in lieu thereof “March 31, 1963”.

19       (b) The first sentence of section 704 of such Act is  
20 amended by striking out the proviso contained therein.

21       (c) Section 705 of such Act is amended by inserting  
22 after the first sentence thereof the following: “In addition  
23 to the amounts appropriated by the foregoing sentence,  
24 there are hereby authorized to be appropriated such further  
25 amounts as may be necessary to carry out the purposes



1 of this Act; but notwithstanding any prior announcement of  
 2 the support level, no price support shall be made available  
 3 through payments for any marketing year (beginning with  
 4 the marketing year beginning in 1959) at a level in excess  
 5 of 85 per centum of the parity price for the commodity as  
 6 of the beginning of such marketing year, if the Secretary in  
 7 his best judgment determines that the expenditures to be  
 8 made by the Commodity Credit Corporation in connection  
 9 with payments to producers under this title with respect to  
 10 wool and mohair marketed during such marketing year will  
 11 exceed the per centum of gross receipts specified in the pro-  
 12 viso of the foregoing sentence for the calendar year ending  
 13 in such marketing year. The Secretary when determining  
 14 the level of support to be announced in advance of the  
 15 beginning of any marketing year, may estimate the parity  
 16 price as of the beginning of such marketing year and the  
 17 parity price so estimated shall be used and regarded as final  
 18 for the purposes of the foregoing sentence."

#### 19 TITLE V—PUBLIC LAW 480

20 SEC. 504. Section 103 (b) of the Agricultural Trade  
 21 Development and Assistance Act of 1954, as amended  
 22 (Public Law 480, Eighty-third Congress), is amended to  
 23 read as follows:

24 "(b) Agreements shall not be entered into under this  
 25 title during any fiscal year which will call for appropriations



1 to reimburse the Commodity Credit Corporation, pursuant  
2 to subsection (a) of this section, in amounts in excess of  
3 \$1,500,000,000, plus any amount by which agreements  
4 entered into in prior fiscal years (beginning with the fiscal  
5 year ending June 30, 1958) have called or will call for  
6 appropriations to reimburse the Commodity Credit Corpora-  
7 tion in amounts less than authorized for such prior fiscal  
8 years.”

9       SEC. 502. (a) Section 104 of such Act is amended by  
10 inserting before the period at the end of the first sentence of  
11 paragraph (h) thereof the following: “and for the financing  
12 of programs for the interchange of persons under title II of  
13 the United States Information and Educational Exchange  
14 Act of 1948, as amended (22 U. S. C. 1416)”.

15       (b) Such section is further amended by adding after  
16 paragraph (k) the following new paragraph:

17       “(l) For providing assistance, by grant or otherwise,  
18 in the expansion or operation in foreign countries of estab-  
19 lished schools, colleges, or universities founded or sponsored  
20 by citizens of the United States, for the purpose of enabling  
21 such educational institutions to carry on programs of voca-  
22 tional, professional, scientific, technological, or general edu-  
23 cation; and in the supporting of workshops in American  
24 studies or American educational techniques, and supporting  
25 chairs in American studies.”



1       SEC. 503: Section 109 of such Act is amended by strik-  
2   ing out "June 30, 1958" and inserting in lieu thereof "June  
3   30, 1960".

4       SEC. 504: Section 204 of such Act is amended by strik-  
5   ing out "June 30, 1958" and inserting in lieu thereof  
6   "June 30, 1960".

7       SEC. 505: Section 206 (a) of the Agricultural Act of  
8   1956 is amended by inserting before the period at the end  
9   thereof a semicolon and the following: "but no strategic or  
10  critical material shall be acquired by the Commodity Credit  
11  Corporation as a result of such barter or exchange except for  
12  such national stockpile; for such supplemental stockpile;  
13  for foreign economic or military aid or assistance programs;  
14  or for offshore construction programs".

15       SEC. 506: In carrying out the provisions of the Agri-  
16  cultural Trade Development and Assistance Act of 1954, as  
17  amended, extra long staple cotton shall be made available  
18  for sale pursuant to the provisions of title I of the Act in  
19  the same manner as upland cotton or any other surplus  
20  agricultural commodity is made available, and products  
21  manufactured from upland or long-staple cotton shall be  
22  made available for sale pursuant to the provisions of title I  
23  of the Act as long as cotton is in surplus supply, and no  
24  discriminatory or other conditions shall be imposed which



1 will prevent or tend to interfere with their sale or a sal-  
2 ability for sale under the Act.

### 3 TITLE I—COTTON

#### 4 PROGRAM FOR 1959 AND 1960

5 SEC. 101. *The Agricultural Act of 1949, as amended,*  
6 *is amended by adding the following new section:*

7 “SEC. 102. *Notwithstanding any other provisions of*  
8 *law—*

9 “(a) *for each of the 1959 and 1960 crops of*  
10 *upland cotton the Secretary of Agriculture is authorized*  
11 *and directed to offer the operator of each farm for which*  
12 *an allotment is established under section 344 of the*  
13 *Agricultural Adjustment Act of 1938, as amended, a*  
14 *choice of (A) the farm acreage allotment determined*  
15 *pursuant to section 344 of the Agricultural Adjustment*  
16 *Act of 1938, as amended, and price support determined*  
17 *pursuant to section 101 of this Act (the amount of*  
18 *cotton estimated to be produced on the additional acres*  
19 *allotted to producers selecting choice (B) for such year*  
20 *being taken into account in computing such support),*  
21 *except that for the 1959 crop the level of support shall*  
22 *be not less than 80 percentum of parity, or (B) the*  
23 *farm acreage allotment determined pursuant to section*  
24 *344 of the Agricultural Adjustment Act of 1938, as*



1        amended, increased by not to exceed 40 per centum (such  
2        increased acreage allotment to be the acreage allotment  
3        for the farm for all purposes) and price support at a  
4        level which is 15 per centum of parity below the  
5        level of support established for producers who elect  
6        choice (A). Any person operating more than one  
7        farm, in order to be eligible for choice (B), must elect  
8        choice (B) for all farms for which he is operator. Not  
9        later than January 31 the Secretary shall determine  
10       and announce on the basis of his estimate of the supply  
11       percentage as of the following August 1, the price sup-  
12       port level for producers who elect choice (A) and such  
13       price support level shall be final. As soon as practicable  
14       after such announcement, the Secretary shall cause the  
15       operator (as shown on the records of the county com-  
16       mittee) of each farm for which an allotment is estab-  
17       lished under section 344 of the Agricultural Adjustment  
18       Act of 1938, as amended, to be notified of the alternative  
19       levels of price support and the alternative acreage al-  
20       lotments available for his farm. The operator of each  
21       farm shall, within the time prescribed by the Secretary,  
22       notify the county committee in writing whether he desires  
23       the increased acreage allotment and the level of price  
24       support prescribed in choice (B) to be effective for the  
25       farm. If the operator fails to so notify the county com-



mittee within the time prescribed, he shall be deemed to have chosen the acreage allotment and the price support level prescribed in choice (A). The choice elected by the operator shall apply to all the producers on the farm. Notwithstanding the foregoing provisions of this subsection, the Secretary may permit the operator of a farm for which choice (B) is in effect to change to choice (A) where conditions beyond the control of the farm operator, such as excessive rain, flood, or drought, prevented the planting of acreage to cotton or having cotton acreage available for harvest on the farm in accordance with the plans of such operator in selecting choice (B). The additional acreage required to be allotted to farms under this section shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm acreage allotments. Notwithstanding any other provision of law, no farm participating in any cotton acreage reserve program established for 1959 under the Soil Bank Act shall receive an increased acreage allotment under the provisions of this section for 1959. Notwithstanding the provisions of section 344 (m) (2)



1       any farm cotton acreage allotment increased as the  
2       result of the selection of choice (B) may not be released  
3       and reapportioned to any other farm. Price support  
4       shall be made available under this paragraph only to  
5       cooperators and only if producers have not disapproved  
6       marketing quotas for the crop.

7       “(b) for each of the 1959 and 1960 crops of upland  
8       cotton, price support shall be made available to producers  
9       who elect choice (A) through a purchase program.  
10      Price support shall be made available to producers who  
11      elect choice (B) through loans, purchases, or other  
12      operations.

13      “(c) the Commodity Credit Corporation is directed,  
14      during the period beginning August 1, 1959, and ending  
15      July 31, 1961, to offer any upland cotton owned by it  
16      for sale for unrestricted use at not less than 10 per  
17      centum above the current level of price support pre-  
18      scribed in choice (B).”

19      PRICE SUPPORT FOR 1961 AND SUBSEQUENT YEARS

20      SEC. 102. (a) The Agricultural Act of 1949, as  
21      amended, is amended by adding a new section 103 as  
22      follows:

23      “SEC. 103. Notwithstanding any other provision of law,  
24      the level of price support for upland cotton shall be established  
25      by the Secretary, taking into consideration the factors set



1 out in section 401 (b) of this Act, at not more than 90 per  
2 centum of the parity price therefor and not less than the  
3 following levels: For the 1961 crop not less than 70 per  
4 centum of such parity price and for the 1962 crop and  
5 thereafter not less than 65 per centum of such parity price,  
6 but in no event less than 30 cents per pound”.

7       ACREAGE ALLOTMENTS AND MARKETING QUOTAS

8       SEC. 103. The Agricultural Adjustment Act of 1938,  
9 as amended, is amended as follows:

10       (1) Section 342 is amended by striking out the third  
11 sentence and by changing the period at the end of the sec-  
12 ond sentence to a colon and adding the following: “Pro-  
13 vided, That beginning with the 1961 crop, the national mar-  
14 keting quota shall be not less than a number of bales equal  
15 to the estimated domestic consumption and estimated ex-  
16 ports (less estimated imports) for the marketing year for  
17 which the quota is proclaimed, except that the Secretary  
18 shall make such adjustment in the amount of such quota as  
19 he determines necessary after taking into consideration the  
20 estimated stocks of cotton in the United States (including  
21 the qualities of such stocks) and stocks in foreign  
22 countries which would be available for the marketing year  
23 for which the quota is being proclaimed if no adjustment  
24 of such quota is made hereunder, to assure the mainte-  
25 nance of adequate but not excessive stocks in the United



1 States to provide a continuous and stable supply of the  
2 different qualities of cotton needed in the United States  
3 and in foreign cotton consuming countries, and for purposes  
4 of national security; but the Secretary, in making such ad-  
5 justments, may not reduce the national marketing quota for  
6 any year below (i) one million bales less than the estimated  
7 domestic consumption and estimated exports for the market-  
8 ing year for which such quota is being proclaimed, or (ii)  
9 ten million bales, whichever is larger.”

10 (2) Section 342 is further amended by adding at the  
11 end thereof the following: “Notwithstanding any other pro-  
12 vision of this Act, the national marketing quota for upland  
13 cotton for 1959 and subsequent years shall be not less than  
14 the number of bales required to provide a national acreage  
15 allotment for each such year of sixteen million acres.”

16 (3) Section 347 (b) is amended by changing the period  
17 at the end of the second sentence to a colon and adding  
18 the following: “Provided, That beginning with the 1961  
19 crop of extra long staple cotton, such national marketing  
20 quota shall be an amount equal to (1) the estimated domes-  
21 tic consumption plus exports for the marketing year which  
22 begins in the next calendar year, less (2) the estimated  
23 imports, plus (3) such additional number of bales, if any,  
24 as the Secretary determines is necessary to assure adequate  
25 working stocks in trade channels until cotton from the next



1 crop becomes readily available without resort to Commodity  
2 Credit Corporation stocks.”

3 (4) The second sentence of section 344 (a) is amended  
4 by striking the word “five” and substituting the word “four”.

5 MINIMUM FARM ALLOTMENTS

6 SEC. 104. (a) Section 344 (b) of the Agricultural  
7 Adjustment Act of 1938, as amended, is amended by insert-  
8 ing before the period at the end thereof a colon and the fol-  
9 lowing: “Provided, That there is hereby established a na-  
10 tional acreage reserve consisting of three hundred and ten  
11 thousand acres which shall be in addition to the national  
12 acreage allotment; and such reserve shall be apportioned to  
13 the States on the basis of their needs for additional acreage  
14 for establishing minimum farm allotments under subsection  
15 (f) (1), as determined by the Secretary without regard to  
16 State and county acreage reserves (except that the amount  
17 apportioned to Nevada shall be one thousand acres). For  
18 the 1960 and succeeding crops of cotton, the needs of States  
19 (other than Nevada) for such additional acreage for such  
20 purpose may be estimated by the Secretary, after taking  
21 into consideration such needs as determined or estimated  
22 for the preceding crop of cotton and the size of the national  
23 acreage allotment for such crop. The additional acreage  
24 so apportioned to the State shall be apportioned to the coun-  
25 ties on the basis of the needs of the counties for such addi-



1 tional acreage for such purpose, and added to the county  
 2 acreage allotment for apportionment to farms pursuant to  
 3 subsection (f) of this section (except that no part of such  
 4 additional acreage shall be used to increase the county re-  
 5 serve about 15 per centum of the county allotment deter-  
 6 mined without regard to such additional acreage). Addi-  
 7 tional acreage apportioned to a State for any year under  
 8 the foregoing proviso shall not be taken into account in  
 9 establishing future State acreage allotments. Needs for  
 10 additional acreage under the foregoing provisions and under  
 11 the last proviso in subsection (c) shall be determined or  
 12 estimated as though allotments were first computed without  
 13 regard to subsection (f) (1)."

14 (b) Section 344 (c) of the Agricultural Adjustment  
 15 Act of 1938, as amended, is amended by inserting before  
 16 the period at the end thereof a colon and the following:  
 17 "Provided further, That if the additional acreage allocated  
 18 to a State under the proviso in subsection (b) is less than  
 19 the requirements as determined or estimated by the Secre-  
 20 tary for establishing minimum farm allotments for the State  
 21 under subsection (f) (1), the acreage reserved under this  
 22 subsection shall not be less than the smaller of (1) the  
 23 remaining acreage so determined or estimated to be required  
 24 for establishing minimum farm allotments or (2) 3 per  
 25 centum of the State acreage allotment; and the acreage



1 which is required to be reserved under this proviso shall be  
2 allocated to counties on the basis of their needs for ad-  
3 ditional acreage for establishing minimum farm allotments  
4 under subsection (f) (1), and added to the county acreage  
5 allotment for apportionment to farms pursuant to subsection  
6 (f) of this section (except that no part of such additional  
7 acreage shall be used to increase the county reserve above  
8 15 per centum of the county allotment determined without  
9 regard to such additional acreages).”

10 (c) Section 344 (f) of the Agricultural Adjustment  
11 Act of 1938, as amended, is amended by changing para-  
12 graph (1) to read as follows:

13 “(1) Insofar as such acreage is available, there shall  
14 be allotted the smaller of the following: (A) ten acres;  
15 or (B) the acreage allotment established for the farm for  
16 the 1958 crop.”

17 (d) The first sentence of section 344 (f) (6) of such  
18 Act is amended to read as follows: “Notwithstanding the  
19 provisions of paragraph (2) of this subsection, if the county  
20 committee recommends such action and the Secretary deter-  
21 mines that such action will result in a more equitable distri-  
22 bution of the county allotment among farms in the county,  
23 the remainder of the county acreage allotment (after making  
24 allotments as provided in paragraph (1) of this subsection)  
25 shall be allotted to farms other than farms to which an



1 allotment has been made under paragraph (1) (B) of this  
2 subsection so that the allotment to each farm under this  
3 paragraph together with the amount of the allotment of  
4 such farm under paragraph (1) (A) of this subsection  
5 shall be a prescribed percentage (which percentage shall  
6 be the same for all such farms in the county) of the average  
7 acreage planted to cotton on the farm during the three years  
8 immediately preceding the year for which such allotment is  
9 determined, adjusted as may be necessary for abnormal  
10 conditions affecting plantings during such three-year period:  
11 Provided, That the county committee may in its discretion  
12 limit any farm acreage allotment established under the pro-  
13 visions of this paragraph for any year to an acreage not in  
14 excess of 50 per centum of the cropland on the farm, as  
15 determined pursuant to the provisions of paragraph (2)  
16 of this subsection: Provided further, That any part of the  
17 county acreage allotment not apportioned under this para-  
18 graph by reason of the initial application of such 50 per  
19 centum limitation shall be added to the county acreage  
20 reserve under paragraph (3) of this subsection and shall  
21 be available for the purposes specified therein."

22 (e) The amendments made by this section shall be  
23 effective beginning with the 1959 crop.

24 SEC. 105. Effective beginning with the 1959 crop, sec-  
25 tion 344 (f) of the Agricultural Adjustment Act of 1938,



1 as amended, is amended by adding at the end thereof the  
2 following new paragraph:

3 “(7) (A) In the event that any farm acreage allot-  
4 ment is less than that prescribed by paragraph (1), such  
5 acreage allotment shall be increased to the acreage prescribed  
6 by paragraph (1). The additional acreage required to be  
7 allotted to farms under this paragraph shall be in addition to  
8 the county, State, and national acreage allotments and the  
9 production from such acreage shall be in addition to the na-  
10 tional marketing quota.

11 “(B) Notwithstanding any other provision of law—

12 “(i) the acreage by which any farm acreage allot-  
13 ment for 1959 or any subsequent crop established under  
14 paragraph (1) exceeds the acreage which would have  
15 been allotted to such farm if its allotment had been com-  
16 puted on the basis of the same percentage factor applied to  
17 other farms in the county under paragraph (2), (6), or  
18 (8) shall not be taken into account in establishing the  
19 acreage allotment for such farm for any crop for which  
20 acreage is allotted to such farm under paragraph (2),  
21 (6), or (8); and acreage shall be allotted under para-  
22 graph (2), (6), or (8) to farms which did not receive  
23 1958 crop allotments in excess of ten acres if and only  
24 if the Secretary determines (after considering the allot-  
25 ments to other farms in the county for such crop com-



pared with their 1958 allotments and other relevant factors) that equity and justice require the allotment of additional acreage to such farm under paragraph (2), (6), or (8).

“(ii) the acreage by which any county acreage allotment for 1959 or any subsequent crop is increased from the national or State reserve on the basis of its needs for additional acreage for establishing minimum farm allotments shall not be taken into account in establishing future county acreage allotments, and

“(iii) the additional acreage allotted pursuant to subparagraph (A) of this paragraph (7) shall not be taken into account in establishing future State, county, or farm acreage allotments.”

#### METHOD OF DETERMINING FARM ALLOTMENTS

SEC. 106. Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph:

“(8) Notwithstanding the foregoing provisions of paragraphs (2) and (6) of this subsection, the Secretary may, if he determines that such action will facilitate the effective administration of the provisions of the Act, provide for the county acreage allotment for the 1959 and succeeding crops of cotton, less the acreage reserved under paragraph (3) of this subsection, to be apportioned to farms



1 on which cotton has been planted in any one of the three  
2 years immediately preceding the year for which such allot-  
3 ment is determined, on the basis of the farm acreage allot-  
4 ment for the year immediately preceding the year for which  
5 such apportionment is made, adjusted as may be necessary  
6 (i) for any change in the acreage of cropland available for  
7 the production of cotton, or (ii) to meet the requirements  
8 of any provision (other than those contained in paragraphs  
9 (2) and (6)) with respect to the counting of acreage for  
10 history purposes.”

11 RETENTION OF SURRENDERED ACREAGE IN COUNTY

12 SEC. 107. Paragraph (2) of section 344 (m) of the  
13 Agricultural Adjustment Act of 1938, as amended, is  
14 amended by striking out the period at the end of the second  
15 sentence of such paragraph and inserting in lieu thereof the  
16 following: “; but no such acreage shall be surrendered to  
17 the State committee so long as any farmer receiving a cotton  
18 acreage allotment in such county desires additional cotton  
19 acreage.”

20 STANDARD GRADE

21 SEC. 108. Section 3 (a) of the Act of August 29, 1949,  
22 Public Law 272, 81st Congress, and the last sentence of  
23 section 403 of the Agricultural Act of 1949, as amended,  
24 are hereby repealed. This section shall become effective with  
25 the 1961 crop.



## CCC SALES RESTRICTIONS

SEC. 109. Section 407 of the Agricultural Act of 1949, as amended, is amended by substituting a colon for the period at the end of the third sentence and adding at the end thereof the following: "Provided, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 per centum above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended."

## COTTON EXPORT PROGRAM

SEC. 110. Nothing in this Act shall be construed to affect or modify the provisions of section 203 of the Agricultural Act of 1956, and any cotton owned or acquired by the Commodity Credit Corporation under any price support program may be used for the purpose of carrying out



1 the cotton export program provided for in section 203 of the  
2 Agricultural Act of 1956.

3 *SPLIT GRADES*

4 *SEC. 111. Section 403 of the Agricultural Act of 1949,*  
5 *as amended, is amended by adding at the end thereof the*  
6 *following sentence: "Beginning with the 1959 crop, in adjust-*  
7 *ing the support price for cotton on the basis of grade, the Sec-*  
8 *retary shall establish separate price support rates for split*  
9 *grades and for full grades substantially reflecting relative*  
10 *values."*

11 *TITLE II—CORN AND FEED GRAINS*

12 *REFERENDUM*

13 *SEC. 201. Title I of the Agricultural Act of 1949, as*  
14 *amended, is further amended by adding at the end of such*  
15 *title the following:*

16 *"SEC. 104. (a) Not later than December 15, 1958, the*  
17 *Secretary shall conduct a referendum of producers of corn*  
18 *in the commercial corn-producing area to determine whether*  
19 *such producers favor a price support program as provided*  
20 *in subsection (b) of this section for the 1959 and subsequent*  
21 *crops in lieu of acreage allotments as provided in the Agri-*  
22 *cultural Adjustment Act of 1938, as amended, and price*  
23 *support as provided in section 101 of the Agricultural Act of*  
24 *1949, as amended.*



1       “(b) Notwithstanding any other provision of law, if a  
 2       majority of the producers voting in the referendum conducted  
 3       pursuant to subsection (a) hereof favor a price support pro-  
 4       gram as provided in this subsection (b), the following pro-  
 5       visions of law shall apply:

6       “DISCONTINUANCE OF ACREAGE ALLOTMENTS ON CORN

7       “(1) The Agricultural Adjustment Act of 1938, as  
 8       amended, is amended by adding the following new section:

9       “‘SEC. 330. Notwithstanding any other provision of law,  
 10       acreage allotments and a commercial corn-producing area  
 11       shall not be established for the 1959 and subsequent crops  
 12       of corn.’

13                               “PRICE SUPPORT

14       “(2) The Agricultural Act of 1949, as amended, is  
 15       amended by adding the following new section:

16       “‘SEC. 105. (a) Notwithstanding any other provision  
 17       of law, beginning with the 1959 crop, price support shall be  
 18       made available to producers for each crop of corn at 90  
 19       per centum of the average price received by farmers during  
 20       the three calendar years immediately preceding the calendar  
 21       year in which the marketing year for such crop begins, ad-  
 22       justed to offset the effect on such price of any abnormal quan-  
 23       tities of low-grade corn marketed during any of such year:  
 24       Provided, That the level of price support for any crop



1 of corn shall not be less than \$1.18 per bushel or 65 per centum  
2 of the parity price therefor, whichever is the higher.

3 “(b) Beginning with the 1959 crop, price support shall  
4 be made available to producers for each crop of oats, rye,  
5 barley, and grain sorghums at such level of the parity price  
6 therefor as the Secretary of Agriculture determines is fair  
7 and reasonable in relation to the level at which price support  
8 is made available for corn, taking into consideration the feed-  
9 ing value of such commodity in relation to corn, and the other  
10 factors set forth in section 401 (b) hereof.’

11 “(3) Section 101 (d) (4) of the Agricultural Act of  
12 1949, as amended, is repealed effective with the 1959 crop.”

### 13 TITLE III—RICE

#### 14 MINIMUM NATIONAL AND STATE ACREAGE ALLOTMENTS

15 SEC. 301. Section 353 (c) (6) of the Agricultural  
16 Adjustment Act of 1938, as amended, is amended by strik-  
17 ing out “1957 and 1958” in each place it occurs therein,  
18 and inserting “1957 and subsequent years”.

#### 19 PRICE SUPPORT

20 SEC. 302. (a) Section 101 (a) of the Agricultural Act  
21 of 1949, as amended, is amended, effective beginning with  
22 the 1959 crop—

23 (1) by striking out “wheat, and rice” and insert-  
24 ing “and wheat”; and



1           (2) by adding at the end thereof the following new  
 2       paragraph: "For rice of the 1959 and 1960 crops, the  
 3       level of support shall be not less than 75 per centum  
 4       of the parity price. For rice of the 1961 crop the level  
 5       of support shall be not less than 70 per centum of parity.  
 6       For the 1962 and subsequent crops of rice the level of  
 7       support shall be not less than 65 per centum of parity."

#### 8                           TITLE IV—WOOL

9       SEC. 401. Section 703 of the National Wool Act of  
 10      1954 (68 Stat. 910) is amended by striking out "March 31,  
 11      1959" and inserting in lieu thereof "March 31, 1962".

12      SEC. 402. The first proviso in section 704 of such Act  
 13      (68 Stat. 911) is amended by striking out "specific" the  
 14      first time it appears therein, and by striking out "(whether  
 15      or not such specific duties are parts of compound rates)".

16      SEC. 403. The proviso in section 705 of such Act (68  
 17      Stat. 911) is amended by striking out "specific" the first  
 18      time it appears therein, and by striking out "(whether or not  
 19      such specific duties are parts of compound rates)".

#### 20                           TITLE V—MISCELLANEOUS

21      SEC. 501. The Agricultural Adjustment Act of 1938, as  
 22      amended, is amended by adding after section 377 the follow-  
 23      ing new section:

24      "SEC. 378. (a) Notwithstanding any other provision  
 25      of this Act, the allotment determined for any commodity



1 for any land from which the owner is displaced because of  
2 acquisition of the land for any purpose by, other than for  
3 the continued production of allotted crops, any Federal,  
4 State, or other agency having the right of eminent domain  
5 shall be place in an allotment pool and shall be available  
6 only for use in providing allotments for other farms owned  
7 by the owner so displaced. Upon application to the county  
8 committee, within three years after the date of such dis-  
9 placement, or three years after the enactment of this Act,  
10 whichever period is longer, any owner so displaced shall be  
11 entitled to have established for other farms owned by him  
12 allotments which are comparable with allotments deter-  
13 mined for other farms in the same area which are similar  
14 except for the past acreage of the commodity, taking into  
15 consideration the land, labor, and equipment available for  
16 the production of the commodity, crop-rotation practices,  
17 and the soil and other physical factors affecting the produc-  
18 tion of the commodity: Provided, That the acreage used  
19 to establish or increase the allotments for such farms shall  
20 be transferred from the pool and shall not exceed the allot-  
21 ment most recently established for the farm acquired from  
22 the applicant and placed in the pool. During the period  
23 of eligibility for the making of allotments under this section  
24 for a displaced owner, acreage allotments for the farm  
25 from which the owner was so displaced shall be established



1 in accordance with the procedure applicable to other farms,  
2 and such allotments shall be considered to have been fully  
3 planted. After such allotment is made under this section,  
4 the proportionate part, or all, as the case may be, of the  
5 past acreage used in establishing the allotment most recently  
6 placed in the pool for the farm from which the owner was  
7 so displaced shall be transferred to and considered for the  
8 purposes of future State, county, and farm acreage allot-  
9 ments to have been planted on the farm to which allotment  
10 is made under this section. Except where paragraph (c)  
11 requires the transfer of allotment to another portion of the  
12 same farm, for the purpose of this section (1) that part of  
13 any farm from which the owner is so displaced and that  
14 part from which he is not so displaced shall be considered  
15 as separate farms; and (2) an owner who voluntarily  
16 relinquishes possession of the land subsequent to its acquisi-  
17 tion by an agency having the right of eminent domain shall  
18 be considered as having been displaced because of such  
19 acquisition.

20 “(b) The provisions of this section shall not be ap-  
21 plicable if (1) there is any marketing quota penalty due  
22 with respect to the marketing of the commodity from the  
23 farm acquired by the Federal, State, or other agency or  
24 by the owner of the farm; (2) any of the commodity pro-



1   duced on such farm has not been accounted for as required  
2   by the Secretary; or (3) the allotment next established  
3   for the farm acquired by the Federal, State, or other agency  
4   would have been reduced because of false or improper  
5   identification of the commodity produced on or marketed  
6   from such farm or due to a false acreage report.

7       “(c) This section shall not be applicable, in the case of  
8   cotton, tobacco, and peanuts, to any farm from which the  
9   owner was displaced prior to 1950, in the case of wheat and  
10   corn, to any farm from which the owner was displaced prior  
11   to 1954, and in the case of rice, to any farm from which the  
12   owner was displaced prior to 1955. In any case where the  
13   cropland acquired for nonfarming purposes from an owner  
14   by an agency having the right of eminent domain represents  
15   less than 15 per centum of the total cropland on the farm,  
16   the allotment attributable to that portion of the farm so  
17   acquired shall be transferred to that portion of the farm not  
18   so acquired.”

19       “(d) Section 313 (h), 334 (d), 344 (h), 353 (f), and  
20   358 (h) of the Agricultural Adjustment Act of 1938, as  
21   amended, are repealed, but any transfer or reassignment of  
22   allotment heretofore made under the provisions of these sec-  
23   tions shall remain in effect, and any displaced farm owner  
24   for whom an allotment has been established under such re-



1   pealed sections shall not be eligible for additional allotment  
 2   under subsection (a) of this section because of such displace-  
 3   ment."

4       SEC. 502. Section 405 of the Agricultural Act of 1949  
 5   is amended by adding at the end thereof the following:  
 6   "There is authorized to be included in the terms and condi-  
 7   tions of any such nonrecourse loan a provision whereby on  
 8   and after the maturity of the loan or any extension thereof  
 9   Commodity Credit Corporation shall have the right to ac-  
 10   quire title to the unredeemed collateral without obligation to  
 11   pay for any market value which such collateral may have in  
 12   excess of the loan indebtedness."

13       SEC. 503. Section 201 (b) of the Agricultural Act of  
 14   1949, as amended, is amended by changing the semicolon at  
 15   the end thereof to a colon and adding the following: "Pro-  
 16   vided, That in any crop year in which the Secretary deter-  
 17   mines that the domestic production of tung oil will be less  
 18   than the anticipated domestic demand for such oil, the price  
 19   of tung nuts shall be supported at not less than 70 per  
 20   centum of the parity price therefor;".

21   EXTEND VETERANS AND ARMED SERVICES MILK PROGRAM

22       SEC. 504. (a) The first sentence of section 202 (a) of  
 23   the Agricultural Act of 1949, as amended (7 U. S. C.  
 24   1446a), is amended by striking out "1958" and inserting  
 25   in lieu thereof "1961".



1        *(b) Subsection (b) of section 202 of the Agricultural*  
2   *Act of 1949 (7 U. S. C. 1446a) is amended by striking out*  
3   *“1958” and inserting in lieu thereof “1961”, by striking out*  
4   *“of the Army, Navy, or Air Force, and as a part of the*  
5   *ration” and inserting in lieu thereof “(1) of the Army, Navy,*  
6   *Air Force, or Coast Guard, (2)”, and by inserting before*  
7   *the period at the end of the first sentence of such subsection*  
8   *the following: “, and (3) of cadets and midshipmen at, and*  
9   *other personnel assigned to, the United States Merchant*  
10   *Marine Academy”.*

11        *SEC. 505. Commodity Credit Corporation is authorized,*  
12   *on such terms as the Secretary of Agriculture may approve,*  
13   *to donate cotton acquired through its price support operations*  
14   *to educational institutions for use in the training of students*  
15   *in the processing and manufacture of cotton into textiles.*

Passed the Senate July 25, 1958.

Attest:

FELTON M. JOHNSTON,

*Secretary.*











85TH CONGRESS  
2D SESSION

**S. 4071**

[Report No. 2356]

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## **AN ACT**

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To provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

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JULY 28, 1958

Referred to the Committee on Agriculture

AUGUST 2, 1958

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed









# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued August 5, 1958

For actions of August 4, 1958

85th-2d, No. 132

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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HIGHLIGHTS: House debated farm bill. Final vote on bill postponed until Wed., Aug. 6. House committee reported food stamp plan bill. Rep. Taber objected to agreeing to Senate amendments to accrued expenditures budgeting bill. House received veto message on independent offices appropriation bill. House committee reported omnibus housing bill. Sen. Proxmire criticized cost of present farm program.

## HOUSE

1. FARM PROGRAM. Debated under suspension of the rules S. 4071, the farm bill. At the request of Rep. McCormack further consideration of the bill was postponed until Wed., Aug. 6, after Rep. Martin asked for a rollicall on the bill. (pp. 14698-713) The bill had been reported with amendment earlier (Aug. 2) by the Agriculture Committee (H. Rept. 2356). (p. 14768)
2. FOOD STAMP PLAN; FARM LABOR. The Agriculture Committee reported (Aug. 2) with amendment H. R. 13067, to provide for the establishment of a food-stamp plan for the distribution of \$1 billion worth of surplus food commodities a year to needy persons and families in the U. S. (H. Rept. 2358), and H. R. 10360, to continue for 2 years the authority for the Attorney General to permit the importation of aliens for agricultural employment (H. Rept. 2357). p. 14768
3. BUDGETING. Rep. Taber objected to a unanimous consent request of Rep. Fawcett to concur in the Senate amendments to H. R. 8002, the accrued expenditures budgeting bill. p. 14675



4. APPROPRIATIONS. Received the President's veto message on H. R. 11574, the independent offices appropriation bill for 1959 (H. Doc. 429). The message was referred to the Appropriations Committee. p. 14675
5. HOUSING. The Banking and Currency Committee reported with amendment S. 4035, the omnibus housing bill (H. Rept. 2359). p. 14768
6. CONTRACTS. The Ways and Means Committee was granted permission until midnight, Aug 5, to file a report on H. R. 11749, to extend the Renegotiation Act of 1951 for 2 years. p. 14674
7. PERSONNEL. Concurred in the Senate amendment to H. R. 4640, to amend the Civil Service Retirement Act to permit persons transferring to non-Act positions to retain voluntary contribution accounts. This bill will now be sent to the President. p. 14675
8. MINERAL CLAIMS. Passed with amendment S. 3199, to specify the period for doing annual assessment work on unpatented mineral claims and suspending such work for the year ending July 1, 1958. p. 14682  
The Interior and Insular Affairs Committee ordered reported with amendment S. 2039, to clarify the requirements with respect to the performance of labor imposed as a condition for the holding of mining claims on Federal lands pending the issuance of patents therefor. p. D789
9. WHEAT IMPORTS. Passed without amendment H. R. 11581, to increase the import duty on wheat for seeding purposes which has been treated with poisonous substances and is unfit for human consumption. p. 14687
10. FORESTRY. Passed with amendment H. R. 12494, to authorize the Secretary in selling certain lands in N. C. to permit the State to sell or exchange such lands for private purposes. p. 14687  
Passed without amendment S. 479, to grant a 50-year right-of-way for a water pipeline across the Lincoln National Forest. This bill will now be sent to the President. pp. 14687-88  
Passed without amendment S. 1245, to provide a right-of-way to the city of Alamogordo, N. Mex., across the Lincoln National Forest. This bill will now be sent to the President. p. 14688  
Passed without amendment S. 3439, to reconvey to Salt Lake City the Forest Service Fire Warehouse lot in that city. This bill will now be sent to the President. pp. 14688-89  
Passed without amendment H. R. 8481, to extend the forestry provisions of the Agricultural Act of 1956 to Hawaii. p. 14689  
Passed without amendment S. 3248 to authorize the Secretary to exchange lands comprising the Pleasant Grove Administrative Site, Uinta National Forest, Utah, with a Pleasant Grove church. p. 14689  
Passed as reported S. 1748, to add certain lands in Ida. and Wyo. to the Caribou and Targhee National Forests. p. 14692  
The Interior and Insular Affairs Committee ordered reported without amendment H. 12242, to authorize the sale or exchange of certain Forest Service lands in Pima County, Ariz. p. D789
11. RECLAMATION. Passed with amendment S. 4002, to authorize the Gray Dam and Reservoir as a part of the Glendo Unit of the Missouri River Basin project. pp. 14685-86  
The Interior and Insular Affairs Committee reported without amendment H. Con. Res. 301, to approve the report of the Dept. of Interior on Red Willow Dam and Reservoir, Nebr. (H. Rept. 2425). pp. 14768-69



of Germantown Avenue 5 feet 6 inches to the first mentioned point and place of beginning.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. That concludes the bills on the Consent Calendar for today.

Mr. JOHANSEN. Mr. Speaker, I ask unanimous consent to return to the bill H. R. 1168, Calendar No. 529, to which objection was made by the gentleman from Michigan. I understand the gentleman from Michigan has withdrawn his objection, and I ask unanimous consent for the immediate consideration of the bill.

Mr. FORD. Mr. Speaker, I withdraw my objection to the bill.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 507 of the Classification Act of 1949, as amended (70 Stat. 291; Public Law 594, 84th Cong.), is amended to read as follows:

"Sec. 507. (a) Subject to the limitation contained in subsection (c) of this section, each officer or employee subject to this act—

"(1) who at any time after June 17, 1956, is or was reduced in grade from any grade of a basic compensation schedule of this act (other than grade 16, 17, or 18 of the general schedule);

"(2) who, on the effective date of such reduction in grade, holds or held a career or career-conditional appointment in the competitive civil service or an appointment of equivalent tenure in the excepted service;

"(3) whose reduction in grade is not or was not caused by a demotion for personal cause, is not or was not at his own request, and is not or was not effected in a reduction in force due to lack of funds or curtailment of work;

"(4) who, for 2 continuous years immediately prior to such reduction in grade, served (A) in the same department and (B) in the same grade or in the same and higher grades; and

"(5) whose performance of work at all times during such period of 2 years is or was satisfactory or better than satisfactory, shall be entitled, as of the effective date of such reduction in grade or as of the first day of the first pay period which begins after the date of enactment of this amendment, whichever is later, unless or until he is entitled to receive basic compensation at a higher rate by reason of the operation of this act, to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade so long as he continues in the same department without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

"(b) Subject to the limitation contained in subsection (c) of this section, each officer or employee subject to this act—

"(1) who, during the period beginning July 1, 1954, and ending June 17, 1956, was reduced in grade from any grade of a basic compensation schedule of this act (other than grade 16, 17, or 18 of the General Schedule);

"(2) whose reduction in grade was not caused by a demotion for personal cause, was not at his own request, and was not effected in a reduction in force due to lack of funds or curtailment of work;

"(3) who, for 2 continuous years immediately prior to such reduction in grade, served (A) in the same department and (B) in the same grade or in the same and higher grades;

"(4) whose performance of work at all times during such period of 2 years was satisfactory or better than satisfactory; and

"(5) whose employment in the same department has been continuous since such reduction in grade and who, since such reduction in grade, has not been demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work,

shall be entitled, as of the first day of the first pay period which begins after the date of enactment of this amendment, unless or until he is entitled to receive basic compensation at a higher rate by reason of the operation of this act, to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade so long as he continues in the same department without any break in service of 1 workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

"(c) The rate of basic compensation to which such officer or employee is entitled under subsection (a) or (b) of this section with respect to each reduction in grade to which this section applies shall not exceed the sum of (1) the minimum scheduled rate of the grade to which he is reduced under each such reduction in grade occurring on or after July 1, 1954, and (2) the difference between his rate immediately prior to the first of such reductions in grade occurring on or after July 1, 1954, and the minimum scheduled rate of that grade which is three grades lower than the grade from which he was reduced under the first of such reductions in grade.

"(d) The Civil Service Commission is authorized to issue regulations to carry out the purposes of this section."

SEC. 2. The amendment made by the first section of this act to section 507 of the Classification Act of 1949, as amended—

(1) shall not be construed to affect (A) the rate of basic compensation determined, at any time prior to the date of enactment of this act, for any officer or employee under and in accordance with such section 507, as enacted by the Act of June 18, 1956 (70 Stat. 291; Public Law 594, 84th Congress), and (B) the right of such officer or employee to receive for any period, under and in accordance with such section 507 as so enacted, the payment of such basic compensation so determined; and

(2) shall not be construed to deprive any officer or employee of any benefit, under and in accordance with such section 507 as so enacted, to which he was entitled prior to the date of enactment of this act.

except that, in the event of any reduction in grade with respect to such officer or employee which occurs on or after the date of enactment of this act, such rate of basic compensation, and any benefit to which he may be entitled with respect to such reduction in grade, shall be determined in accordance with such section 507, as amended by the first section of this act.

SEC. 3. For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954 (5 U. S. C. 2091-2103), all changes in rates of basic compensation by reason of the operation of section 507 of the Classification Act of 1949, as enacted by the act of June 18, 1956 (70 Stat. 291; Public Law 594, 84th Congress), or as amended by the first section of this act, whichever is applicable, shall be held and considered to be effective as of the first day of the first pay period following the pay period in which the payroll change is approved with respect to such individual.

With the following committee amendments:

Page 2, line 7, immediately before the semicolon insert "or holds or held a position outside the competitive civil service and the excepted service as an officer or employee of the Library of Congress, of the Architect of the Capitol, of the Botanic Gardens, or of the municipal government of the District of Columbia."

Page 2, line 25, immediately after the comma insert "or until the expiration of a period of 2 years immediately following the effective date of such reduction in grade or immediately following the first day of such first pay period, as applicable."

Page 4, line 9, immediately following the comma insert "or until the expiration of a period of 2 years immediately following the first day of such first pay period, as applicable."

Page 5, line 8, insert the word "saved" immediately before the word "rate."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

### CALL OF THE HOUSE

Mr. MARTIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 153]

|             |               |                |
|-------------|---------------|----------------|
| Abbitt      | Gordon        | Minshall       |
| Adair       | Granahan      | Moore          |
| Addonizio   | Grant         | Morano         |
| Albert      | Gray          | Morris         |
| Barden      | Green, Pa.    | Morrison       |
| Barrett     | Gregory       | Moulder        |
| Bass, N. H. | Griffiths     | Multer         |
| Baumhart    | Gwinn         | Neal           |
| Becker      | Harden        | Nix            |
| Bentley     | Hays, Ark.    | O'Neill        |
| Boland      | Hays, Ohio    | Osmers         |
| Bolling     | Healey        | Passman        |
| Bosch       | Hébert        | Philbin        |
| Broomfield  | Hess          | Pillion        |
| Buckley     | Hillings      | Powell         |
| Burdick     | Hoffman       | Radwan         |
| Byrne, Ill. | Holtzman      | Robeson, Va.   |
| Carnahan    | Jackson       | Robison, N. Y. |
| Celler      | James         | Rooney         |
| Chamberlain | Jenkins       | Sadlak         |
| Christopher | Jones, Mo.    | Santangelo     |
| Coffin      | Judd          | Scherer        |
| Colmer      | Kee           | Scott, N. C.   |
| Coudert     | Keogh         | Scott, Pa.     |
| Delaney     | Kilburn       | Sheehan        |
| Dies        | Kluczynski    | Shelley        |
| Diggs       | Lafore        | Shuford        |
| Dollinger   | Landrum       | Smith, Kans.   |
| Donohue     | Latham        | Spence         |
| Dwyer       | Lesinski      | Talle          |
| Eberharter  | Loser         | Teller         |
| Evins       | Machrowicz    | Vanik          |
| Farbstein   | Mailliard     | Wainwright     |
| Fino        | Mason         | Wharton        |
| Fogarty     | May           | Wigglesworth   |
| Fountain    | Michel        | Zelenko        |
| Friedel     | Miller, N. Y. |                |

The SPEAKER. On this roll call 313 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.



## AGRICULTURAL ACT OF 1958

Mr. COOLEY. Mr. Speaker, I move that the House suspend the rules and pass the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities, with an amendment.

The Clerk read as follows:

*Be it enacted, etc., That this act may be cited as the "Agricultural Act of 1958."*

## TITLE I—COTTON

## Program for 1959 and 1960

SEC. 101. The Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 102. Notwithstanding any other provision of law—

"(a) for each of the 1959 and 1960 crops of upland cotton the Secretary of Agriculture is authorized and directed to offer the operator of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, a choice of (A) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, and price support determined pursuant to section 101 of this act (the amount of cotton estimated to be produced on the additional acres allotted to producers selecting choice (B) for such year being taken into account in computing such support), except that for the 1959 crop the level of support shall be not less than 80 percent of parity, or (B) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, increased by not to exceed 40 percent (such increased acreage allotment to be the acreage allotment for the farm for all purposes) and price support at a level which is 15 percent of parity below the level of support established for producers who elect choice (A). Any person operating more than one farm, in order to be eligible for choice (B), must elect choice (B) for all farms for which he is operator. Not later than January 31 the Secretary shall determine and announce on the basis of his estimate of the supply percentage as of the following August 1, the price support level for producers who elect choice (A) and such price support level shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative levels of price support and the alternative acreage allotments available for his farm. The operator of each farm shall, within the time prescribed by the Secretary, notify the county committee in writing whether he desires the increased acreage allotment and the level of price support prescribed in choice (B) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have chosen the acreage allotment and the price support level prescribed in choice (A). The choice elected by the operator shall apply to all the producers on the farm. Notwithstanding the foregoing provisions of this subsection, the Secretary may permit the operator of a farm for which choice (B) is in effect to change to choice (A) where conditions beyond the control of the farm operator, such as excessive rain, flood, or drought, prevented the planting of acreage to cotton or having cotton acreage available for harvest on the farm in accordance with the plans of such operator in selecting choice (B). The additional acreage required to be allotted to farms under this section shall be

in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm acreage allotments. Notwithstanding any other provision of law, no farm participating in any cotton acreage reserve program established for 1959 under the Soil Bank Act shall receive an increased acreage allotment under the provisions of this section for 1959. Notwithstanding the provisions of section 344 (m) (2) any farm cotton acreage allotment increased as the result of the selection of choice (B) may not be released and reapportioned to any other farm. Price support shall be made available under this paragraph only to cooperators and only if producers have not disapproved marketing quotas for the crop.

"(b) for each of the 1959 and 1960 crops of upland cotton, price support shall be made available to producers who elect choice (A) through a purchase program. Price support shall be made available to producers who elect choice (B) through loans, purchases, or other operations.

"(c) the Commodity Credit Corporation is directed, during the period beginning August 1, 1959, and ending July 31, 1961, to offer any upland cotton owned by it for sale for unrestricted use at not less than 10 percent above the current level of price support prescribed in choice (B)."

## Price support for 1961 and subsequent years

SEC. 102. (a) The Agricultural Act of 1949, as amended, is amended by adding a new section 103 as follows:

"SEC. 103. Notwithstanding any other provision of law, the level of price support for upland cotton shall be established by the Secretary, taking into consideration the factors set out in section 401 (b) of this act, at not more than 90 percent of the parity price therefor and not less than the following levels: For the 1961 crop not less than 70 percent of such parity price and for the 1962 crop and thereafter not less than 65 percent of such parity price, but in no event less than 30 cents per pound."

## Acreage allotments and marketing quotas

SEC. 103. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 342 is amended by striking out the third sentence and by changing the period at the end of the second sentence to a colon and adding the following: "Provided, That beginning with the 1961 crop, the national marketing quota shall be not less than a number of bales equal to the estimated domestic consumption and estimated exports (less estimated imports) for the marketing year for which the quota is proclaimed, except that the Secretary shall make such adjustment in the amount of such quota as he determines necessary after taking into consideration the estimated stocks of cotton in the United States (including the qualities of such stocks) and stocks in foreign countries which would be available for the marketing year for which the quota is being proclaimed if no adjustment of such quota is made hereunder, to assure the maintenance of adequate but not excessive stocks in the United States to provide a continuous and stable supply of the different qualities of cotton needed in the United States and in foreign cotton-consuming countries, and for purposes of national security; but the Secretary, in making such adjustments, may not reduce the national marketing quota for any year below (i) 1 million bales less than the estimated domestic consumption and estimated exports for the marketing year for which such quota is being proclaimed, or (ii) 10 million bales, whichever is larger."

(2) Section 342 is further amended by adding at the end thereof the following:

"Notwithstanding any other provision of this act, the national marketing quota for upland cotton for 1959 and subsequent years shall be not less than the number of bales required to provide a national acreage allotment for each such year of 16 million acres."

(3) Section 347 (b) is amended by changing the period at the end of the second sentence to a colon and adding the following: "Provided, That, beginning with the 1961 crop of extra long staple cotton, such national marketing quota shall be an amount equal to (1) the estimated domestic consumption plus exports for the marketing year which begins in the next calendar year, less (2) the estimated imports, plus (3) such additional number of bales, if any, as the Secretary determines is necessary to assure adequate working stocks in trade channels until cotton from the next crop becomes readily available without resort to Commodity Credit Corporation stocks."

(4) The second sentence of section 344 (a) is amended by striking the word "five" and substituting the word "four."

## Minimum farm allotments

SEC. 104. (a) Section 344 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "Provided, That there is hereby established a national acreage reserve consisting of 310,000 acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be 1,000 acres). For the 1960 and succeeding crops of cotton, the needs of States (other than Nevada) for such additional acreage for such purpose may be estimated by the Secretary, after taking into consideration such needs as determined or estimated for the preceding crop of cotton and the size of the national acreage allotment for such crop. The additional acreage so apportioned to the State shall be apportioned to the counties on the basis of the needs of the counties for such additional acreage for such purpose, and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 percent of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing provisions and under the last proviso in subsection (e) shall be determined or estimated as though allotments were first computed without regard to subsection (f) (1)."

(b) Section 344 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "Provided further, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined or estimated by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved under this subsection shall not be less than the smaller of (1) the remaining acreage so determined or estimated to be required for establishing minimum farm allotments or (2) 3 percent of the State acreage allotment; and the acreage which is required to be reserved under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm al-



lotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 percent of the county allotment determined without regard to such additional acreages)."

(c) Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing paragraph (1) to read as follows:

"(1) Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) 10 acres; or (B) the acreage allotment established for the farm for the 1958 crop."

(d) The first sentence of section 344 (f) of such act is amended to read as follows: "Notwithstanding the provisions of paragraph (2) of this subsection, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the remainder of the county acreage allotment (after making allotments as provided in paragraph (1) of this subsection) shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the 3 years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such 3-year period. *Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 percent of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 percent limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein."

(e) The amendments made by this section shall be effective beginning with the 1959 crop.

SEC. 105. Effective beginning with the 1959 crop, section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph:

"(7) (A) In the event that any farm acreage allotment is less than that prescribed by paragraph (1), such acreage allotment shall be increased to the acreage prescribed by paragraph (1). The additional acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota.

"(B) Notwithstanding any other provision of law—

"(i) the acreage by which any farm acreage allotment for 1959 or any subsequent crop established under paragraph (1) exceeds the acreage which would have been allotted to such farm if its allotment had been computed on the basis of the same percentage factor applied to other farms in the county under paragraph (2), (6), or (8) shall not be taken into account in establishing the acreage allotment for such farm for any crop for which acreage is allotted to such farm under paragraph (2), (6), or (8); and acreage shall be allotted under paragraph (2),

(6), or (8) to farms which did not receive 1958 crop allotments in excess of 10 acres if and only if the Secretary determines (after considering the allotments to other farms in the county for such crop compared with their 1958 allotments and other relevant factors) that equity and justice require the allotment of additional acreage to such farm under paragraph (2), (6), or (8).

"(ii) the acreage by which any county acreage allotment for 1959 or any subsequent crop is increased from the national or State reserve on the basis of its needs for additional acreage for establishing minimum farm allotments shall not be taken into account in establishing future county acreage allotments, and

"(iii) the additional acreage allotted pursuant to subparagraph (A) of this paragraph (7) shall not be taken into account in establishing future State, county, or farm acreage allotments."

#### *Method of determining farm allotments*

SEC. 106. Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph:

"(8) Notwithstanding the foregoing provisions of paragraphs (2) and (6) of this subsection, the Secretary may, if he determines that such action will facilitate the effective administration of the provisions of the act, provide for the county acreage allotment for the 1959 and succeeding crops of cotton, less the acreage reserved under paragraph (3) of this subsection, to be apportioned to farms on which cotton has been planted in any one of the 3 years immediately preceding the year for which such allotment is determined, on the basis of the farm acreage allotment for the year immediately preceding the year for which such apportionment is made, adjusted as may be necessary (i) for any change in the acreage of cropland available for the production of cotton, or (ii) to meet the requirements of any provision (other than those contained in paragraphs (2) and (6)) with respect to the counting of acreage for history purposes."

#### *Retention of surrendered acreage in county*

SEC. 107. Paragraph (2) of section 344 (m) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end of the second sentence of such paragraph and inserting in lieu thereof the following: "; but no such acreage shall be surrendered to the State committee so long as any farmer receiving a cotton acreage allotment in such county desires additional cotton acreage."

#### *Standard grade*

SEC. 108. Section 3 (a) of the act of August 29, 1949, Public Law 272, 81st Congress, and the last sentence of section 403 of the Agricultural Act of 1949, as amended, are hereby repealed. This section shall become effective with the 1961 crop.

#### *CCC sales restrictions*

SEC. 109. Section 407 of the Agricultural Act of 1949, as amended, is amended by substituting a colon for the period at the end of the third sentence and adding at the end thereof the following: "*Provided*, That, effective with the beginning of the marketing year for the 1961 crop, the corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 percent above the current support price for cotton plus reasonable carrying charges, except that the corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the pro-

visions of section 342 of the Agricultural Adjustment Act of 1938, as amended."

#### *Cotton export program*

SEC. 110. Nothing in this act shall be construed to affect or modify the provisions of section 203 of the Agricultural Act of 1956, and any cotton owned or acquired by the Commodity Credit Corporation under any price-support program may be used for the purpose of carrying out the cotton-export program provided for in section 203 of the Agricultural Act of 1956.

#### *Split grades*

SEC. 111. Section 403 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following sentence: "Beginning with the 1959 crop, in adjusting the support price for cotton on the basis of grade, the Secretary shall establish separate price support rates for split grades and for full grades substantially reflecting relative values."

#### TITLE II—CORN AND FEED GRAINS

#### *Referendum*

SEC. 202. Title I of the Agriculture Act of 1949, as amended, is further amended by adding at the end of such title the following:

"SEC. 104. (a) Not later than December 15, 1958, the Secretary shall conduct a referendum of producers of corn in the commercial corn-producing area to determine whether such producers favor a price support program as provided in subsection (b) of this section for the 1959 and subsequent crops in lieu of acreage allotments as provided in the Agricultural Adjustment Act of 1938, as amended, and price support as provided in section 101 of the Agricultural Act of 1949, as amended.

"(b) Notwithstanding any other provision of law, if a majority of the producers voting in the referendum conducted pursuant to subsection (a) hereof favor a price support program as provided in this subsection (b), the following provisions of law shall apply:

#### *"Discontinuance of acreage allotments on corn"*

"(1) The Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new section:

"SEC. 330. Notwithstanding any other provision of law, acreage allotments and a commercial corn-producing area shall not be established for the 1959 and subsequent crops of corn."

#### *"Price support"*

"(2) The Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 105 (a) Notwithstanding any other provision of law, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 percent of the average price received by farmers during the 3 calendar years immediately preceding the calendar year in which the marketing year for such crop begins adjusted to offset the effect on such price of any abnormal quantities of low-grade corn marketed during any of such year: *Provided*, That the level of price support for any crop of corn shall not be less than \$1.18 per bushel or 65 percent of the parity price therefor, whichever is the higher.

"(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefore as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401 (b) hereof."



"(3) Section 101 (d) (4) of the Agricultural Act of 1949, as amended, is repealed effective with the 1959 crop."

#### TITLE III—RICE

##### Minimum national and State acreage allotments

SEC. 301. Section 353 (c) (6) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "1957 and 1958" in each place it occurs therein, and inserting "1957 and subsequent years."

##### Price support

SEC. 302. (a) Section 101 (a) of the Agricultural Act of 1949, as amended, is amended, effective beginning with the 1959 crop—

(1) by striking out "wheat, and rice" and inserting "and wheat"; and

(2) by adding at the end thereof the following new paragraph: "For rice of the 1959 and 1960 crops, the level of support shall be not less than 75 percent of the parity price. For rice of the 1961 crop the level of support shall be not less than 70 percent of parity. For the 1962 and subsequent crops of rice the level of support shall be not less than 65 percent of parity."

#### TITLE IV—WOOL

SEC. 401. Section 703 of the National Wool Act of 1954 (68 Stat. 910) is amended by striking out "March 31, 1959" and inserting in lieu thereof "March 31, 1962".

SEC. 402. The first proviso in section 704 of such act (68 Stat. 911) is amended by striking out "specific" the first time it appears therein, and by striking out "(whether or not such specific duties are parts of compound rates)".

SEC. 403. The proviso in section 705 of such act (68 Stat. 911) is amended by striking out "specific" the first time it appears therein, and by striking out "(whether or not such specific duties are parts of compound rates)".

#### TITLE V—MISCELLANEOUS

SEC. 501. The Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 377 the following new section:

"SEC. 378. (a) Notwithstanding any other provision of this act, the allotment determined for any commodity for any land from which the owner is displaced because of acquisition of the land for any purpose, other than for the continued production of allotted crops, by any Federal, State, or other agency having the right of eminent domain shall be placed in an allotment pool and shall be available only for use in providing allotments for other farms owned by the owner so displaced. Upon application to the county committee, within 3 years after the date of such displacement, or 3 years after the enactment of this act, whichever period is longer, any owner so displaced shall be entitled to have established for other farms owned by him allotments which are comparable with allotments determined for other farms in the same area which are similar except for the past acreage of the commodity, taking into consideration the land, labor, and equipment available for the production of the commodity, crop-rotation practices, and the soil and other physical factors affecting the production of the commodity: *Provided*, That the acreage used to establish or increase the allotments for such farms shall be transferred from the pool and shall not exceed the allotment most recently established for the farm acquired from the applicant and placed in the pool. During the period of eligibility for the making of allotments under this section for a displaced owner, acreage allotments for the farm from which the owner was so displaced shall be established in accordance with the procedure applicable to other farms, and such allotments shall be considered to have been fully planted. After such allotment is made under this section, the proportionate part,

or all, as the case may be, of the past acreage used in establishing the allotment most recently placed in the pool for the farm from which the owner was so displaced shall be transferred to and considered for the purposes of future State, county, and farm acreage allotments to have been planted on the farm to which allotment is made under this section. Except where paragraph (c) requires the transfer of allotment to another portion of the same farm, for the purpose of this section (1) that part of any farm from which the owner is so displaced and that part from which he is not so displaced shall be considered as separate farms; and (2) an owner who voluntarily relinquishes possession of the land subsequent to its acquisition by an agency having the right of eminent domain shall be considered as having been displaced because of such acquisition.

"(b) The provisions of this section shall not be applicable if (1) there is any marketing quota penalty due with respect to the marketing of the commodity from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (2) any of the commodity produced on such farms has not been accounted for as required by the Secretary; or (3) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of the commodity produced on or marketed from such farm or due to a false acreage report.

"(c) This section shall not be applicable, in the case of cotton, tobacco, and peanuts, to any farm from which the owner was displaced prior to 1950, in the case of wheat and corn, to any farm from which the owner was displaced prior to 1954, and in the case of rice, to any farm from which the owner was displaced prior to 1955. In any case where the cropland acquired for nonfarming purposes from an owner by an agency having the right of eminent domain represents less than 15 percent of the total cropland on the farm, the allotment attributable to that portion of the farm so acquired shall be transferred to that portion of the farm not so acquired."

"(d) Sections 313 (h), 334 (d), 344 (h), 353 (f) and 358 (h) of the Agricultural Adjustment Act of 1938, as amended, are repealed, but any transfer or reassignment of allotment heretofore made under the provisions of these sections shall remain in effect, and any displaced farm owner for whom an allotment has been established under such repealed sections shall not be eligible for additional allotment under subsection (a) of this section because of such displacement."

SEC. 502. Section 405 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "There is authorized to be included in the terms and conditions of any such nonrecourse loan a provision whereby on and after the maturity of the loan or any extension thereof Commodity Credit Corporation shall have the right to acquire title to the unredeemed collateral without obligation to pay for any market value which such collateral may have in excess of the loan indebtedness."

SEC. 503. Section 201 (b) of the Agricultural Act of 1949, as amended, is amended by changing the semicolon at the end thereof to a colon and adding the following:

"*Provided*, That in any crop year in which the Secretary determines that the domestic production of tung oil will be less than the anticipated domestic demand for such oil, the price of tung nuts shall be supported at not less than 70 percent of the parity price therefor;"

##### Extend veterans and armed services milk program

SEC. 504. (a) The first sentence of section 202 (a) of the Agricultural Act of 1949, as amended (7 U. S. C. 1446a), is amended by

striking out "1958" and inserting in lieu thereof "1961."

(b) Subsection (b) of section 202 of the Agricultural Act of 1949 (7 U. S. C. 1446a) is amended by striking out "1958" and inserting in lieu thereof "1961", by striking out "of the Army, Navy, or Air Force, and as a part of the ration" and inserting in lieu thereof "(1) of the Army, Navy, Air Force, or Coast Guard, (2)", and by inserting before the period at the end of the first sentence of such subsection the following: ", and (3) of cadets and midshipmen at and other personnel assigned to, the United States Merchant Marine Academy."

SEC. 505. The Commodity Credit Corporation is authorized, on such terms as the Secretary of Agriculture may approve, to donate cotton acquired through its price-support operations to educational institutions for use in the training of students in the processing and manufacture of cotton into textiles.

The SPEAKER. Is a second demanded?

Mr. MARTIN. Mr. Speaker, I demand a second.

Mr. H. CARL ANDERSEN. Mr. Speaker, I demand a second and I am opposed to the bill.

Mr. HILL. Mr. Speaker, I demand a second.

Mr. MARTIN. Mr. Speaker, I demand a second. I am absolutely opposed to the bill.

The SPEAKER. The Chair recognizes the gentleman from Massachusetts [Mr. MARTIN] to demand a second.

Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from North Carolina [Mr. COOLEY] will be recognized for 20 minutes, and the gentleman from Massachusetts [Mr. MARTIN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, I yield myself 5 minutes. No committee in this Congress has worked harder, more faithfully, more diligently, nor more conscientiously than the Committee on Agriculture has worked during this session of Congress. Beginning in January, working through subcommittees, many long hearings were held until all phases of the problems with which we are now dealing were seriously and carefully considered. All persons desiring to be heard were given an opportunity to be heard. There is nothing very new in the amendment which I am now presenting. All matters to which this amendment relates have been under discussion throughout the country for many, many weeks and months. Nothing in this amendment could possibly take anyone by surprise. All Members of the House must now be prepared to consider the propositions submitted and to make the important decisions which must be made. There is nothing unusual about the procedure we are following. I am justified in asking to suspend the rules and to pass the Senate bill with the amendment I have offered, since the amendment which I am presenting was approved by the House Committee on Agriculture by a vote of 28-0 with 3 abstentions. This amendment was agreed upon by both Democrats and Republicans after thorough, complete and serious consideration. The members of



our committee are worthy of the faith and confidence of the Members of this House, and certainly Members of the House should be willing to let us take our amendment to conference.

The House bill, which is in effect the amendment I am presenting, is a far better bill than the Senate bill. The Senate bill completely abandons the parity concept upon which the farm program has been built and upon which it has endured. The parity concept is the heart of the farm program. It is the Magna Carta of American agriculture. If we lose this yardstick, which the public generally has been willing to accept as fair and just and right, we will lose the farm program and leave the farmers of America to the mercy of the harsh and cruel law of supply and demand, back to the law of the jungles, to the survival of the fittest, and agriculture will be deprived of any and all protection while every other major segment of our economy is protected by Federal laws which soften the harsh and cruel effects of unrestrained competition. Members of other segments of our economy have participated in the preparation and passage of the laws which shield and protect them, but now we are told that parity, as we have known it, has had its day and can no longer be tolerated. I need not explain the parity concept to Members of this House nor do I need to emphasize its importance further than to say that in all the calculations consideration is given to the prices that farmers are required to pay for the things they of necessity must buy and to the prices of the commodities which the farmer offers for sale. It is difficult for me to understand how so many distinguished statesmen in that other body at the other end of the Capitol were willing to take the farmer from the solid foundation of parity and to place him in the quicksands of ever declining prices. I wonder who it was that first submitted this preposterous proposal, to assure the farmer of only 90 percent of the market price he would receive anyway. Is 90 percent of a fair price too much for a farmer to receive for the things he produces which are vital to the life and to the welfare of our Nation? Apparently many people in high places are anxious to lower commodity prices to the point that the farmer cannot longer receive a profit on the things he produces. Farm people are now being driven from the land at the rate of 1 million people per year. Farm income has been going down at the rate of about \$1 billion per year. Farm debts have been going up at the rate of about \$1 billion per year and the cost of the farm program has been increasing at the rate of about \$1 billion per year. This situation is intolerable. We must do something now to check and to change the downward trend in farm income and farm purchasing power. The bill we are now submitting is at least a short step in that direction. Unless this bill is passed, further drastic acreage reductions will be imposed upon cotton farmers and rice growers and the impact on our agricultural economy will be sudden and saddening, and it will be felt in all

of the industrial areas and consuming centers of our country.

We propose to put the parity concept and principle back into the law and to keep it there. While protecting the parity principle, the bill we offer contains the following provisions:

First. New acreage allotment—price-support programs for cotton and rice.

Second. A new price-support program for corn and feed grains—oats, rye, barley, and grain sorghums—to be effective if approved by corn farmers in a referendum.

Third. Extension of the Wool Act.

Fourth. Extension and amendment of the armed services dairy products program.

Fifth. An increase in the minimum-support level of tung nuts when tung oil is in deficit supply.

Sixth. A uniform provision for the transfer of acreage allotments when farmland is taken under the power of eminent domain.

Seventh. A provision relieving the Commodity Credit Corporation of the necessity of making equity payments when it takes title to a commodity securing a price-support loan.

If there is anything obnoxious or evil in any of the propositions we are submitting, I challenge anyone to speak up and to point out the evil and unholy section. Certainly, since there is opposition to this measure, something must be wrong with it. Is it objectionable because we preserve and perpetuate the parity principle? Is it objectionable because we propose to increase cotton acreage for the crop year 1959? Certainly this provision cannot be objectionable, in view of the fact that officials of the Department of Agriculture freely, frankly, and forthrightly admitted to us that we would need a minimum acreage in cotton of 17,700,000 acres in 1959, and pointed out to us that unless legislation was enacted providing for this increase in acreage, the 1959 cotton acreage allotment might be lowered to about 14 million acres. In other words, the United States Department of Agriculture wants the cotton acreage increased to a minimum of 17,700,000 acres. How else can this be done except by the passage of legislation?

We provide two programs for cotton farmers for the years 1959 and 1960, and we provide a floor or a minimum price support for farmers who elect to stay within their base allotments under program (A), but we give the Secretary the right to lower such price-supports gradually in an effort to make cotton competitive in world markets and with man-made fibers. Under program (B), where producers may plant up to 40 percent above their original allotments, we give the Secretary of Agriculture the exact program he has asked for; that is, he can fix the price-supports for the (B) program at any level between 60 and 90 percent of parity, but he is required to maintain the supports for those who choose the (B) program at a level of 15 parity points below the price-supports provided for farmers who choose program (A).

The Senate bill fixes a floor beginning in 1961 of 30 cents a pound for cotton,

on the basis of 1-inch middling. Parity is now calculated on the basis of  $\frac{3}{8}$ -inch middling. We propose to change this basis from 1-inch middling or  $\frac{3}{8}$ -middling, to "the average of the crop," but to maintain the floor at 30 cents per pound. This makes the difference between the two bills of 2.8 cents per pound in favor of the cotton producer. This is the real difference between the two bills. The cotton farmers of the Nation would be better off under our bill to the extent of almost \$200 million a year.

The Senate bill provides a support for corn at not less than \$1.10 per bushel. The House bill provides a support not less than \$1.18 per bushel. Under the corn provisions of our bill the corn producers in the commercial areas will have an opportunity to vote in a referendum and to say for themselves whether they favor the program we now have or the one provided for in the bill.

By approval of the amendment now before us we will send this bill to conference with the Senate. What is the purpose of a conference after all? The real purpose is to compose differences, to compromise views, and to reach decisions. Would anyone be foolish enough to suggest that reasonable men in conference could not compose the differences in the two bills before us? Certainly those of us who will serve on the conference will do everything we can appropriately do to protect and to defend the provisions of the House bill; but I am not optimistic enough to believe that every little thing in our bill will be approved, and I am not pessimistic enough to believe that we will be forced to completely capitulate and to give us all that we have worked for.

This bill is not all that I want for our farmers. If I had my way, I would make many changes in the bill we are presenting, but unfortunately we must do the best we can and accept less than what we want and wish for. We must be realistic and above all, we must be reasonable.

The cotton industry of America needs and wants more and better cotton. The cotton industry wants cheaper cotton so that American cotton may be competitive with world cotton and synthetic fibers. I am willing to move in that direction, but I am not willing to make cotton competitive by act of Congress.

We must ultimately provide compensatory payments for cotton farmers if cotton is to be really competitive in both foreign and domestic markets. That we can now only hope for. I know that my farmers cannot grow cotton for world markets nor can they grow cotton at a price which will make cotton competitive with synthetic fibers.

So in presenting this bill to you, I do so with reluctance. Everyone in the cotton industry, just about all of the organizations, and all of the officials of the Department of Agriculture agree that we must have farm legislation and we must have it now. Here it is before you. You can take it or you can leave it; but unless we are permitted to take this bill to conference, everything indicates that there will be no general farm bill this year.



Should legislation be brought to the floor of the House under an open rule, we would encounter many difficulties and engage in many controversies—all of which would be time-consuming. If you really want a farm bill, here is your chance. It may very well be the last chance. You must make your own decision.

One distinguished Republican Senator is quoted as having said that, if we fail to pass a farm bill, the farmers of America would lose a billion dollars next year. This will mean a billion dollars less purchasing power and a tragic impact on industry.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Speaker, I yield myself 5 additional minutes.

I shall not be intimidated nor shall I be frightened by threats of a veto. When I have done the best I can the President can do as he pleases. I am sick and tired of being confronted with some sort of sinister threat of a veto every time we come to the Floor of the House with a bill from the Committee on Agriculture. The President has vetoed farm bills in the past and he may veto the next farm bill that is sent to his desk. If \$1.18 per bushel is too high for corn and he thinks it should be \$1.15 or \$1.16 per bushel or even \$1.10 per bushel, he might be a real statesman and veto the bill. If he thinks 30 cents is all right for cotton but 32.8 cents is too much he might veto the bill, but I for one am perfectly willing to run the risk. I mention these two items because they are the real controversial sections of this bill.

Mr. SIMPSON of Illinois. The gentleman failed to state that the feed grain provision calls for a vote by the corn farmer in the commercial corn area as to whether or not they want the 1938 Act, as amended, or whether or not they want the Senate provision.

Mr. COOLEY. The gentleman is entirely correct.

I might sum this up by saying that what we want is an opportunity to go to conference; to sit down with our colleagues in the Senate in an effort to compose our differences, in the hope that we will have legislation which will be beneficial to the farmers of America.

Mr. ANFUSO. Will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ANFUSO. I am interested in how this bill affects the consumer. Does this bill reduce the price of cotton and rice and also the price of corn?

Mr. COOLEY. I think the gentleman has the right idea about the bill. It is not a high price support bill. It is a movement in the direction where Mr. Benson wants us to go on price. We go down to 65 percent of parity. He has recommended a floor of 60 percent.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. JENSEN. Does not the bill provide for 90 percent of parity in the last 3 years?

Mr. COOLEY. No, no. The Senate bill provides that the support level shall not be below 90 percent of the average

market price during the last 3 preceding years.

Mr. JENSEN. That would mean about 60 percent of parity for corn, would it not, or \$1.10, whichever is higher?

Mr. COOLEY. Whichever is higher.

Mr. JENSEN. And the House bill does nothing for that section of the Senate bill; is that right?

Mr. COOLEY. Yes. We put \$1.18 as a floor.

Mr. JENSEN. In the House bill?

Mr. COOLEY. Yes.

Mr. JENSEN. The reason I am asking is this: This is the first time that the House Members have had a chance to know what is in your bill. I have to ask some questions.

Mr. COOLEY. I am sorry. I would be glad to answer all the questions, but you know my time is limited. If the Senate's floor is \$1.10 and ours is \$1.18, certainly we should be able to compose the difference.

Mr. JENSEN. Of course I think \$1.18 is too low.

Mr. COOLEY. I agree with the gentleman.

Mr. JENSEN. It is going to be O. K. with the big farmers, but it is not going to be good for the average farmer.

Mr. COOLEY. I agree with the gentleman.

Mr. COAD. I notice that the terminology "average market price" has been used in the bill. I refer to page 38. It does not say "market price"; it merely says "average price." Is that national price, State price, or local price?

Mr. COOLEY. What section of the bill?

Mr. COAD. Page 38 in the section dealing with price support.

Mr. COOLEY. It means average market price for the immediately preceding 3 years.

Mr. POAGE. Mr. Speaker, if the gentleman will yield, it means the price received by the farmers.

Mr. COOLEY. Let me sum up by saying this: Everybody agrees that we should have farm legislation. The Secretary has urged it, the farm organizations have urged it. Everybody here wants farm legislation. How can we have it unless we can get this bill into conference?

Nobody wants the Senate bill; and I predict that under the two programs for cotton, the B program will blow up in disaster. The textile manufacturers want more cotton and the farmers of America want more acres, but I do not believe that the two programs can be properly and effectively administered.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. JENSEN. I would like to know if the conferees on the part of the House are going to stand fast for at least the House version of \$1.18 for corn.

Mr. COOLEY. I can tell the gentleman only what I expect to do, and that is to defend every part and parcel of the House bill as long as there is any hope. I appreciate this fact, that this is the first time in about 2 years that the House Committee on Agriculture has been unanimous about anything. Now we

come out here with a unanimous vote, not a single vote against the bill, shall we be denied the right to go to conference?

Mr. MARTIN. You could go to the Rules Committee and get a rule.

Mr. COOLEY. Exactly so, but the gentleman knows, and I know, that if we should apply for a rule on this bill we would come back to the floor, and we would have a fight here on Public Law 480; we would have a fight on food stamps; we would have a fight on every section in the bill. Now, let us go to conference with this bill. That is all we are asking for.

Mr. MARTIN. What I am thinking is that the House should have something to say about this legislation.

Mr. COOLEY. The House will have something to say about this legislation.

Mr. MARTIN. Only what the gentleman says.

Mr. COOLEY. No, no. I have great respect for the gentleman. He knows there will be three Members representing his side of the aisle on the conference committee. I know they are interested in the welfare of the farmer and in the welfare of all the people of the Nation.

I urge every Member of this House to let us go to conference. The bill speaks for itself. There is no need for me to take up the time to discuss it further section by section.

Mr. MARTIN. Mr. Speaker, I yield myself 3 minutes.

(Mr. MARTIN asked and was given permission to revise and extend his remarks.)

Mr. MARTIN. Mr. Speaker, I want to make it crystal clear I am not opposed to farm legislation; I am against the procedure in which we are taking up this bill. I hope we will have a bill at this session, and we can have one. I do not believe this House will dare go home without passing a farm bill. But we ought to do it in the right way, the way in which all shall have a fair chance to express themselves.

I have great respect for the Committee on Agriculture. They have certainly worked hard, and the fact that they have reached agreement is a very favorable omen as to the future. The fact is, however, nobody knows what is in this bill. This bill was reported out Friday. The reports were not ready until a few hours ago. Nobody has had an opportunity to read the report, yet we are asked to take this bill up today and pass it under a suspension of the rules. No chances for amendments and only 20 minutes of discussion.

Nothing is going to be lost if we go to the Rules Committee. And let me say, here is a challenge. You want a rule. I think I can guarantee you will get 4 Republican votes on the Rules Committee for a rule, and certainly the Democrats should be able to get 3.

Mr. BASS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. BASS of Tennessee. Did not the gentleman vote against orderly procedure when we had the issue before the House the last time under a rule?

Mr. MARTIN. That is quite a different thing. That was legislation that



you could not make satisfactory and it was rejected in the interest of time.

Mr. BASS of Tennessee. There is no difference at all.

Mr. MARTIN. Mr. Speaker, calling this bill up under suspension of the rules is opposed by the Farm Bureau; it is opposed by the National Cotton Council; it is opposed by the administration; it is opposed by the textile associations, both North and South. They favor the Senate bill, for under that bill they see a chance to get out of some of their difficulties and finally get a sound condition in agriculture.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from North Carolina.

Mr. COOLEY. I just want to say to the gentleman, you are saying that these people are against the bill. They have been before our committee. They are not against the bill. The difference is, if they said they are for 30-cent cotton—

Mr. MARTIN. You take your own time on that. They have advised me they are against it.

Mr. COOLEY. I am telling you—

Mr. MARTIN. I do not yield any further, because I have only 3 minutes all together.

So, I ask the House to act in a sane manner. In my opinion, we are passing altogether too much legislation under suspension of the rules, where the Members do nothing but give the legislation approval despite the fact they are opposed to some features. That is not the best way to legislate. Here is the biggest bill of the year, a bill affecting millions of people, and how much can we find out. Only about 30 people have any idea what this bill is all about, and they do not have the time to explain their views. So, I ask this House, let us be legislators and act as a deliberate body. Suppose an amendment is offered that you or I might not like. The House can be depended upon to make the decision. What is wrong about that? This bill should not be passed under suspension of the rules today. We should go before the Committee on Rules and, with the cooperation of 3 Democrats, which I think we can get, we will get out this rule and pass a good farm bill, one that the country will want and one that can become a law. We need legislation rather than talk.

Mr. Speaker, I now yield 2 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, I am opposed to passage of this bill for a number of fundamental reasons. As the gentleman from Missouri [Mr. CANNON] has so ably said, this is a lopsided bill loaded in favor of cotton and which, in the final analysis, will do our farm economy little good and probably a great deal of harm. I admire the gentleman's courage in rising as he has to oppose this bill which has been brought before us by the leadership of his own party, the Democratic leadership of the House. The gentleman from Missouri represents a great cotton-producing State, and that is why his words

were so significant when he said on July 22:

Cotton, for example, has had more legislation and more administrative consideration over the years than all other agricultural products combined.

Later in that same speech he said: "Benson is offering cotton a bait to desert the rest of the farmers." If nothing else, the bill before us is evidence of the success of Secretary Benson in his efforts to divide and conquer American agriculture.

I am opposed to this bill because it represents a sellout of the family-size farmers of the Midwest. I am truly amazed that the Democratic leadership in this Congress, after all the campaign promises that have been made, would give its stamp of approval to this measure which is, at best, a measure for the benefit of consumers and the Southern segment of American agriculture.

For the record, let me first analyze some of the arguments in favor of this bill and the procedure under which it is brought before us. The advocates on the Democratic side of the aisle have said repeatedly that time does not permit bringing a farm bill up under a rule which would allow reasonable debate and the offering of amendments. Think of that. Think of a leadership in Congress which has so loudly proclaimed its friendship for agriculture and then says that time does not permit the orderly and proper consideration of legislation of such magnitude as the farm bill before us. I, for one, am willing to stay here until snow flies if necessary to give our farm people their day in court. Everyone agrees that our biggest domestic problem is that of agriculture, and yet we hear today an impressive array of congressional leaders trying to tell us that time does not permit the consideration and debate of a farm bill. It will likely be another 2 weeks before we adjourn and we could debate 3 such bills in that time and still get through our necessary work. And what if the farm bill did keep us here a few more days? Is not that our business? Is that not what our people elected us to do? They did not send us to Washington to represent them with the understanding that we should hide behind the alibi of adjournment as our excuse for not doing a proper legislative job, and I will not buy that lame excuse for bringing this bill before us in a manner which permits only a few minutes of debate and no opportunity whatsoever for amendment.

Nothing can justify bringing this important legislation before us with only 40 minutes of debate and no opportunity to even offer an amendment. This is cruel indeed to the farm families whose economic futures are in our hands.

Then they advance the argument that we should hastily approve this measure and let the conferees write the final law. They plead for our confidence and promise that out of that House-Senate conference will come a final measure of which we can be proud. What kind of doubletalk is that? Such statements have come from men seasoned by many years of legislative experience, and yet

the newest Member in this House knows that the conferees can give us nothing more than the best features of either the House or Senate bill, and, as far as I am concerned, neither bill offers the Midwest farmer anything worth having. No, Mr. Speaker, I cannot buy that argument because I know, and they know, that action by this House today to approve this bill would tie the hands of the conferees and we could hope for nothing more than the weak measure before us, even if the Senate were to capitulate entirely.

Proponents of this bill tell us of the labors of the Committee on Agriculture since February and of the extensive hearings that have been held. But that is no argument in favor of the measure before us on which no hearings have been held and which never even saw the light of day until just last week. As a matter of fact, we were not even able to obtain a copy of this bill and the committee report until we came on the floor an hour or so ago.

The gentleman from North Carolina [Mr. COOLEY], who is chairman of the Committee on Agriculture, has said that this bill is virtually everything that has been asked for by the Secretary of Agriculture, and yet he asks us as friends of Midwest agriculture to vote for the proposal. If this bill is the best the Democratic leadership can bring before us, then I believe I am justified in saying that this Congress will go down in history as the Congress that has done the least for family farmers of the Midwest during my 20 years in this House.

Because many of my colleagues do not know or understand what is proposed for American agriculture in this bill and have asked me for a concise explanation, I will in the next few moments analyze some of its important features.

Title I deals with cotton, and in this title one can see the handiwork of the majority members of the Committee on Agriculture from the South. A 16-million-acre cotton allotment is provided instead of the 14 million- or 15 million-acre allotment which would be in effect next year with no new legislation. It is my understanding that the ginner and processors are the principal advocates of this increase in acreage for cotton. Then a price support of 80 percent of parity is provided for the 1959 crop. Compare that, if you will, with the 65 percent of parity proposed for corn. Language is employed in the bill to give the impression that supports on cotton can slide down to 70 percent of parity in 1961 and to 65 percent thereafter, but note that a minimum support level of 30 cents per pound is set, and that figures out to a support level between 75 and 80 percent of parity for cotton as the floor under the market. I want the RECORD to be clear that I am not opposed to a good cotton program—I just want an equally good program for the Midwest, and I think we are entitled to it.

Title II deals with corn and other feed grains, and it is this section that is of such grave importance to my area. The present program is defective on two points. First, the acreage allotment is too low and, second, the price support



level is no incentive to compliance. This year the allotment is 38,818,381 acres and the experts in the United States Department of Agriculture advised me today that an allotment of about 37 million acres is in prospect for 1959. Compliance corn has a support of 75 percent of parity under the present law.

The measure before us proposes to give farmers in the commercial corn area a so-called referendum later this year which would present a choice between the present program and wide-open production with a minimum support level of \$1.18 per bushel. This is about 68 percent of parity. In other words, Mr. Speaker, corn farmers would be given a choice between a bad program and one which, in the long run, would undoubtedly prove even worse.

I represent one of the major corn producing districts in the Nation. I am myself a corn farmer and believe I know what motivates farm decisions in the Corn Belt. To corn—and I honestly fear to all price-supported commodities—this bill is an explosive charge with a short fuse. What would happen if this bill was approved? Farmers would be asked to vote in the referendum and regardless of the outcome we would be faced with all-out corn production. If the present program prevailed in the referendum, there would be virtually no compliance with the 37 million acre allotment and no supports available for the noncompliance corn. If the alternative of no allotments and \$1.18 supports won, I predict a sharp rise in corn acreage to about 85 million acres. In either event we will be faced with an expected 4 billion bushel corn crop—compared with a consumption of about 3 billion bushels annually—and the CCC would take over between 500 million and a billion bushels of corn. As Wayne Darrow said in his Washington Farmletter of August 2, "sooner or later something would bust." Corn, already in dangerous over-supply, would soon overflow the bins and warehouses and would either break the feed and livestock markets or break the back of the CCC—or both. Those who seek to destroy our price support programs for agriculture have before them today the instrument to accomplish that destruction, and I must oppose them today just as I have in the past.

The solution for our corn problem is not difficult. The acreage reserve goes out of existence next year, and we urgently need realistic corn and feed grain legislation. Two things are needed as a bare minimum. First, we need a sensible acreage allotment of at least 54 million acres; and then we need a fair price support level to encourage compliance with the allotments. We would settle today for a simple amendment to present law giving us that 54 million acre corn allotment. Such a program would actually cost CCC far less money than that proposed today—and we would not be lighting the fuse on overproduction which can ultimately destroy our agricultural economy in the Midwest.

The price tag on the corn section of this bill may be \$1 billion a year or more. The excess production it would stimulate and the high cost of CCC operations au-

thorized for corn would put the breaking point in sight and might, in my judgment, sow the seeds for the destruction of our entire price-support program. Give us a reasonable corn acreage allotment we can live with and a fair price support and we will give you stability at low cost in our feed grain and livestock economies. Give us less than this and the outcome could be disastrous for Midwest agriculture.

Title III of the bill deals with rice, another Southern commodity. A rice acreage allotment of 3 million acres is provided instead of the less than 1 million acres anticipated under present law. The price would be supported at 75 to 90 percent of parity for 1959 and 1960. Not a bad deal for rice producers. Why not give similar consideration to Midwest corn producers?

Title IV is the section extending the wool program and I am one of the authors of the bills to extend this very worthwhile program. I heartily favor this extension, as do most Members of Congress, and my only regret is that the Committee on Agriculture did not report this legislation out long ago as there is little or no objection to its passage.

Then there is another provision dealing with a Southern commodity which would raise the minimum price support for tung nuts from the present 60 percent of parity to 70 percent of parity. No limit on production is provided—just the increase in price supports to 70 percent of parity. The South has again shown its power in the Congress of the United States.

This is the substance of the bill brought before us. It takes care of the major commodities of the South—at least for next year—and does nothing worthwhile for the family-farms of the Midwest. It reflects a callous disregard for the economic well-being of Midwest farmers and paves the way to the final collapse of our feed and livestock economies. It provides for excessive quantities of cheap feed which, in turn, surely and ultimately means cheap livestock.

In conclusion, I want to call particular attention to the statement by the gentleman from New York [Mr. ANFUSO] today to the effect that this bill is a break for consumers in that it means cheaper food and will reduce the market price for grain and livestock products. I respect the gentleman's opinion and I know from his service as a member of the Committee on Agriculture that he knows what he is talking about. I simply want to remind my colleagues from the consumer areas of two important points. First, you look to the agricultural economy for a major market for your manufactured and processed goods and why would you destroy the economy of your best customers? Second, I would remind you that food is still the biggest bargain in our economy. In 1929, for example, consumers spent 23 percent of their disposable income for food. Today, consumers spend only 16 percent of their disposable income for food. What more could you ask? As consumers you are getting a higher quality product every day, more processing services are employed, and yet you are spending the lowest percent-

age of your income for food since records have been kept.

Just last week the major steel companies announced price increases on steel. Durable goods are expected to follow the price rise. Practically everything we buy has gone up in price, and yet we hear our colleagues from the consumer areas pleading for this bill to reduce the level of our farm economy so their people can buy food a little cheaper.

As the distinguished chairman of the Committee on Appropriations [Mr. CANNON] so ably said, you will be building with "bricks without straw." If you destroy the economy of Midwest agriculture you will by the same stroke destroy your own markets for the things your constituents produce. You will gain nothing because we know from experience that every time we see the price level reduced for the producers of agricultural commodities, the middlemen take the difference and your consumers gain nothing. We cannot build nor maintain a healthy and vigorous national economy in which our basic industry—agriculture—is given only 65 percent of a fair share of the national economy.

Let us reject this inequitable and dangerous proposal and give the Committee on Agriculture a mandate to bring before us a fair and reasonable farm bill under legislative conditions which will permit free and open debate. Let us write farm legislation in an enlightened and democratic manner rather than under the guns of an impatient leadership which lays before us a measure of such vast importance and says we must take it or leave it.

I say again, Mr. Speaker, that if this is the best the Democratic leadership can bring before us in the way of farm legislation—this Congress is on its way to an unenviable record as one of the worst in history for the family farms of this Nation. The gentleman from Missouri [Mr. CANNON] is a distinguished Democrat and I am proud to stand with him on my side of the aisle in condemnation of this inequitable and unfair proposal. I share his distaste and his disappointment in this shocking disregard for the fine farm people of the Midwest.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

(Mr. H. CARL ANDERSEN asked and was given permission to revise and extend his remarks.)

Mr. MARTIN. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Speaker, I do not think I have ever enjoyed the position I am in more than now. I really think I do not belong to either side, for or against this bill. I feel that I am the only farmer here. I do not feel bad that I have to oppose my leader, the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, I think I should begin by saying that the Committee on Agriculture began in January or early February



to work in earnest. We had every type and kind of hearing, on everything from the humane slaughter of animals to a checkoff on the sale of cattle. If we have missed anything in agriculture, I will stand corrected, if I am so informed. So we have been holding hearings, we have been working.

We have had considerable difficulty. I notice someone said we did not have any information here on this bill. When we had the freeze bill here, and when the rule was turned down on the omnibus farm bill, the House certainly had all the information anyone would need. It is not a question of information. No one in this House does not know at this moment where he stands on this measure. The whole question is one of procedure. What does the House want to do this afternoon? I hesitate to oppose my leader on this side. I know how poorly I shall do in attempting to sway your judgment, but I shall try just the same.

All we are asking you to do here is to send this bill to conference. That is where much legislation is written. All I need to do is call your attention to the fact that that is the way the Committee on Appropriations works. Their work is done either in conference or in subcommittee. We only take an hour or two on an appropriation bill for which we may be paying for the next 25 years. So we are not asking you to do anything unusual here.

As one member of the conference committee I pledge the Department of Agriculture that I shall do everything in my power to straighten out the mistakes or the errors in this bill. And, strange as it may seem, there are not as many as you think. Our difficulty arises from one section in cotton. I can frankly confess to both sides of the aisle if we remove one single part of that cotton section—and we may be able to do that—we would have a bill perhaps the Secretary of Agriculture would accept. The same is true as to corn. There is no objection to the corn section, the remarks of my friend from Minnesota [Mr. H. CARL ANDERSEN] to the contrary notwithstanding. We have tried to work out a corn bill that we think we can live with.

First of all, we take the top off of corn. I can never forget what my father said. He used to say, "The farthest from the market is the man that has nothing to sell."

When you cut cotton down until you reach almost 40 percent reduction in acres, you do not solve the cotton problem. You do not solve the cotton farmers' problem by reducing acreage. There are other things that must be considered. We have had the hearings. We have heard the witnesses. We can change or amend the difficult sections of this bill in conference and bring out a bill which every Member would be proud to support. We do not ask you to take all that is in this bill. But since the hour is drawing near when this Congress will adjourn, we do not have time to send this bill back to the Committee on Rules or back to our committee. Let us vote to pass this legislation, send it to conference and let the two bodies adjust their differences which I am certain can be

accomplished. You do not know when they will give you a rule. You do not know what will happen when you get a rule. I say frankly to you, now is the time to get your agricultural program on its way.

I hold in my hand a statement from the Secretary of Agriculture himself, and if you will read it you will know whether or not he opposes this bill. There is a lot of hot air about opposing this bill. The truth of the matter is there are a whole lot of good things in it. It has eight sections in it. Outside of the cotton or corn sections, there are few Members of the House who will find fault with this bill. We can start it on its road toward final approval. You are going to take the wind out of the sails of any kind or type of farm legislation in this Congress if you defeat this suspension.

We will do our best in the committee of conference to iron out the differences. Every man or woman in this House can talk to me anywhere at any time you want to and give me your opinion on this bill. But I guarantee that we will bring a good bill out of conference. I hope you will consider carefully before you vote against this motion.

(Mr. HILL asked and was given permission to revise and extend his remarks and to include a statement by Secretary of Agriculture Ezra Taft Benson.)

Mr. HILL. Mr. Speaker, the statement by Secretary Benson to which I have referred is as follows:

The bill reported by the House Committee on Agriculture yesterday has some merit, but the version approved overwhelmingly by the Senate is much more constructive for the immediate and long-range benefit of our Nation's agriculture.

From a section-by-section comparison, it is obvious that the Senate bill is best for the Nation and especially our farmers and ranchers. This is particularly true in the provisions for cotton and feed grains.

The Senate bill also moves further in the direction of greater freedom for our producers and expanded markets for farm commodities both at home and abroad. It is less costly and will permit a wider use of our cotton by domestic mills.

I share the belief of many Congressmen and congressional leaders of both parties that if the Senate version of the bill were to be offered for House consideration, it would be speedily approved.

#### EXPLANATION OF COTTON SECTION

Under the bill reported by the House Agriculture Committee on Friday, August 1, by a vote of 28-0 the following levels of support are established:

First. For 1959 supports will be based on Middling  $\frac{7}{8}$ -inch. Program A cotton will receive not less than 80 percent of parity; program B cotton will receive not less than 65 percent of parity.

Second. For 1960 supports will be based on Middling  $\frac{7}{8}$ -inch. Program A cotton will receive not less than 75 percent of parity; program B cotton will receive not less than 60 percent of parity.

Third. For 1961 and 1962 and subsequent years: The dual A and B program for cotton will be discontinued and all cotton will be supported at the highest of either 70 percent of parity in

1961 and 65 percent of parity in 1962 and subsequent years, or 30 cents per pound based on average of the crop. Under the House amendment to S. 4071 the 30-cent floor would mean a support or 32.81 cents or 2.81 cents higher than that provided in the Senate bill which is based on Middling 1-inch cotton. When translated into terms of parity, 32.81 cents is about 78 percent of parity.

In other words the provision for supports dropping to 70 percent of parity in 1961 and to 65 percent of parity in 1962 and subsequent years does not mean very much in view of the 30-cent floor.

This is one of the chief objections of the Department of Agriculture to the House committee amendment. The Department of Agriculture reluctantly accepted the Senate 30-cent floor on Middling 1-inch cotton, but is strongly opposed to the 30-cent floor based on average of the crop because of the 2.81 cents premium.

#### EXPLANATION OF CORN AND FEED GRAINS AMENDMENT TO S. 4071

Strike out lines 16 through 23 on page 16; strike out lines 1 through 23 on page 17; strike out lines 1 through 5 on page 18; and insert in lieu thereof:

#### "REFERENDUM

"Sec. 201. Title I of the Agricultural Act of 1949, as amended, is further amended by adding at the end of such title the following:

"Sec. 104. (a) Not later than December 15, 1958, the Secretary shall conduct a referendum of producers of corn in the commercial corn-producing area to determine whether such producers favor a price support program as provided in subsection (b) of this section for the 1959 and subsequent crops in lieu of acreage allotments as provided in the Agricultural Adjustment Act of 1938, as amended, and price support as provided in section 101 of the Agricultural Act of 1949, as amended.

"(b) Notwithstanding any other provision of law, if a majority of the producers voting in the referendum conducted pursuant to subsection (a) hereof favor a price support program as provided in this subsection (b), the following provisions of law shall apply:

#### "DISCONTINUANCE OF ACREAGE ALLOTMENTS ON CORN

"(1) The Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new section:

"Sec. 330. Notwithstanding any other provision of law, acreage allotments and a commercial corn-producing area shall not be established for the 1959 and subsequent crops of corn."

#### "PRICE SUPPORT

"(2) The Agricultural Act of 1949, as amended, is amended by adding the following new section:

"Sec. 105. (a) Notwithstanding any other provision of law, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 percent of the average price received by farmers during the 3 calendar years immediately preceding the calendar year in which the marketing year for such crop begins adjusted to offset the effect on such price of any abnormal quantities of low-grade corn marketed during any of such year: *Provided*, That the level of price support for any crop of corn shall not be less than \$1.18 per bushel nor less than 65 percent of the parity price therefor, whichever is the higher.



"(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401 (b) hereof."

"(3) Section 101 (d) (4) of the Agricultural Act of 1949, as amended, is repealed effective with the 1959 crop."

(Mr. SIMPSON of Illinois (at the request of Mr. HILL) was given permission to extend his remarks at this point in the RECORD.)

Mr. SIMPSON of Illinois. Mr. Speaker, according to the Congressional Directory, today is Secretary Benson's birthday. It remains to be seen in conference between the House and Senate on this bill what kind of legislative birthday present he is given.

The Senate bill was referred to the Agriculture Committee, and that committee has, by a vote of 28 to 0, offered an amendment. It is the first time in several years a bill from the Agriculture Committee has been reported out as nearly unanimous as this one.

We are attempting some unusual legislation. This winter both bodies passed the freeze bill which the President vetoed. In that bill we voted to freeze cotton and corn acreage at exactly what we did not want. This amendment we are trying to pass today proves it. We are increasing cotton acreage and lowering supports in order to try to make cotton competitive, or nearly so, to synthetics. No one thought to do this for coal oil lamps when electricity took their place. No one thought to do this for buggy manufacturers when the automobile put them out of business.

No one knows whether this cotton section will make cotton competitive. No one knows whether synthetic manufacturers will further reduce their prices if the section does as intended.

The South is still raising cotton in an old-fashioned way. Arizona and California are mechanized. Both are trying to make cotton desirable to the mills and the public. I hope it works. I have never felt synthetics would replace cotton entirely.

No one seems to know the cost in this legislation, and no one seems to care.

On the commodity and feed-grain section, Mr. Speaker, I wish to state it would not be in the bill if the South, in voting years ago for acreage controls and marketing quotas on cotton, had taken control of those diverted cotton acres and not planted therein feed grains, sorghum, and so forth. To me, for all intent in purpose, this section as passed by the Senate does away with corn as a basic commodity. It gives the South and Southwest an advantage over corn by legislation. The Senate version takes corn out as a basic, and it is the largest money crop in the United States. It leaves peanuts in as a basic. How inconsistent can we get?

One dollar and ten cents is too cheap for corn raisers to make any money. One dollar and eighteen cents, which is provided by the House, is little enough.

Why not let the commercial Corn Belt farmers make their own decision, as provided in our referendum, whether they want corn removed as a basic, whether they want to do away with the parity concept, or whether they want \$1.10 or \$1.18 for corn in noncompliance at 67 percent or parity, whichever is the greater.

Remember, high corn prices is supposed to make high livestock prices. Remember, the Agriculture Department for 1958 has already announced the support on feed grains at 70 percent of parity and made no announcement on corn in noncompliance.

Mr. Speaker, I have contended for years that no agricultural program has been left in effect long enough to know whether it will or will not work. This legislation again proves it. All I am trying to do is keep corn from ending up with just the cob.

(Mr. McINTIRE (at the request of Mr. HILL) was given permission to extend his remarks at this point in the RECORD.)

Mr. McINTIRE. Mr. Speaker, for many months farm organizations, farmers, and legislators have been giving serious consideration to farm problems and constructive farm legislation. In relation to the commodity cotton, textile interests have been greatly concerned about legislation that will bring about a more equitable position for the user of domestic cotton.

There are features of this bill that are not completely satisfactory, but I believe in balance it is constructive legislation.

I believe it meets quite substantially the problem confronting the cotton textile industry.

I am in support of the motion.

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. THOMPSON].

(Mr. THOMPSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. THOMPSON of Texas. Mr. Speaker, the rice section of the House version of S. 4071 does not change the end result which is sought in the original bill. It merely adheres to the parity formula in figuring the basis of supports, starting with 1961. The original bill tied support to 90 percent of the average price received by farmers during the 3 preceding years, but not less than \$4 per hundred-weight or 60 percent of the parity price, whichever is higher. The \$4 figure would come out 67½ percent of parity. Our 65-percent suggested figure is, therefore, slightly lower in cost; but probably by the time it is made effective by the House version the cost of living will have affected parity in such a manner as to bring out the dollar figure very close to the suggested \$4 minimum.

On the general question of getting away from parity, I speak for a very broad cross-section of farmers in our district. It may be that they will someday come to the point of abandoning parity. They do not want to do it, yet, and they do not want to do it at all without very careful study, which certainly has not been had as yet.

I am moved to urge you, particularly in view of the fact that rice is the grain

which, above all others, is needed for survival of many countries in the Far East. It is their principal grain. That part of the world faces a serious shortage during the coming year, a shortage which may not be corrected for several years. While we produce only 3 percent of the rice consumed in the world, still out of our production will come a tremendously important part to make up the losses in other parts of the world. It is especially important that we not meddle with the rice program in the United States at this time and that we take no chances that our production will be curtailed.

Speaking for the rice industry, I strongly recommend the adoption of the Senate bill as amended.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. BASS] such time as he may desire.

Mr. BASS of Tennessee. Mr. Speaker, the bill now before the House is one which is of vital importance to the farmers throughout the southland, and particularly to Tennessee and the district which I represent.

The entire cotton industry is probably suffering worse than any other agricultural commodity at the present time. This not only includes the cotton farmer himself, but the cotton ginner, the cotton marketing exchange and the small community whose existence depends upon the income derived from the various phases of the cotton industry.

As a result of the shortage of good cotton on the American market today, we have seen many textile mills convert to synthetic fabrication. This has also been brought about in part by the high price of the good usable cotton which has been available during the past 2 years.

The bill before us today provides for a minimum national acreage allotment for cotton of 16 million acres beginning with the 1959 crop, plus 310,000 acres to take care of the 10-acre minimum allotments. Under section A of the bill, a farmer is guaranteed his regular acreage allotment and price support as determined under present law, and he is assured he will be paid not less than 80 percent of parity during 1959.

Section B of the bill gives the Secretary of Agriculture the authority to increase farmers' acreage up to 40 percent of his regular farm allotment, if the price support is 15 parity points lower than the level determined under present law. The 40-percent increase in acreage under the bill is certainly a desirable part of the program. Many, many small farmers today are finding it impossible to maintain a fair standard of living in cotton-producing areas because the acreage has been cut so low.

I also strongly urge that the minimum farm allotment section of the bill be maintained. This part of the bill provides for a permanent minimum farm allotment for cotton of 10 acres or the 1958 acreage allotment, whichever is the smaller. Certainly no farmer who has a history as a cotton farmer should be cut below a 10-acre minimum. This is absolutely necessary in order to maintain the family-size farmer as a family unit securing subsistence from farming.



Another important section of the program is that which provides that any cotton acreage which is surrendered by a farmer shall be retained in the county and not given to the State committee as long as any farmer in that particular county desires additional cotton acreage.

There are other important phases of this bill, but I personally am particularly interested with the cotton section, and I strongly urge the Congress to take favorable action on the bill today.

(Mr. BASS of Tennessee asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. COAD].

Mr. COAD. Mr. Speaker, I have listened intently to the arguments presented for and against this farm bill from both sides of the aisle and now as one from the heart of the feed-grain belt, I would like to say that in my judgment, I believe that the American cash-grain farmer was short-changed in the Senate version of this farm bill and his lot was not much improved by the House committee amended version.

To make a living today the farmer must consider two prime factors in the formula which determines his gross income. These factors are, first, the number of units of his production; and second, the price per unit he receives. If either one of these factors is reduced then the other must be increased to equal an assumed fixed reasonable return on his investment which is his income. If prices are high he can produce less to meet his income requirements. If prices are low he must produce more to make his living. This greater production means cheaper feed for our livestock which in turn means cheaper livestock and livestock products moving to market. You may say, "well that is fine with me," but consider this; In the realistic terms of man-hour purchasing power, the average factory worker today needs only work about half the time it took in 1947 to earn enough to buy a pound of choice steak, if he can find work. Yet there are those who just cannot grasp the importance of paying a fair price to our American farmers and there are those who have not fully realized the impact which a sound agricultural industry can have on the well-being of the entire Nation and our over-all economy. I tell you that we cannot afford to have our farmers go down with the tide of low prices and unbalanced production.

A sound agriculture is of vital importance to our industrial production. For example, estimates for 1957 show that agriculture buys more petroleum than any other industry—14.8 billion gallons. Agriculture uses more finished steel than is used for all new passenger cars in any year up to 1955, 6½ millions tons in 1957. Agriculture buys enough raw rubber to put tires on nearly 6 million cars or a total of 320 million pounds last year. Agriculture buys 50 million tons of chemical materials, and 25 billion kilowatt hours of electricity, and with these things, a lot of hard work, and a little luck, American agriculture supplies nearly 65 percent of all raw products used in the United States, with such a record of perform-

ance can we allow the producers of our "new wealth", which is in a large measure our agricultural products, to lose billions of dollars in purchasing power by under pricing his products?

Have we so soon forgotten that the first cutbacks in production and the ensuing layoffs of the factory workers, which heralded the worst recession, and triggered the highest number of unemployed since the depression of the thirties, came in the farm-implement industry?

The farm program as originally intended by the Agricultural Act has become a sham and a folly in the hands of its administrator who has skillfully dedicated the vast resources of the Department of Agriculture to the singular purpose of destroying this program as it was originally designed and intended by Congress. With acreage allotments and price supports cut way back to the minimum there is just no incentive for the farmer to join the program. Thus, this year there was only a very small reduction in acres planted and there is every indication that we will have the greatest feed-grain harvest in our history this fall.

Faced with this fact and the reality that President Eisenhower, by and under the advice of Secretary of Agriculture Benson, has refused to consider and sign any constructive farm legislation it appears that this bill is the only farm legislation Congress will have time to consider before the end of this session. The provisions of this bill fall far short of a long-range solution to the feed-grain problem. It offers a floor on the price of corn only 8 cents higher than the Senate bill. It removes all corn acreage allotments and offers the farmers a chance to vote on two propositions in a referendum which I realize one is not very much better than the other. The bill also provides for increases in the cotton acreage allotments which, if we pass this bill, I sincerely hope will induce the southern farmers to raise cotton and not corn.

Let there be no mistake about it. The responsibility for the fact that this minimum legislation for the farmers is all that we can hope to get, lies squarely on those in the Congress and the administration who have refused to consider good, progressive, and beneficial farm legislation.

(Mr. COAD asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Speaker, I yield such time as he may desire to the gentleman from South Dakota [Mr. McGOVERN].

Mr. McGOVERN. Mr. Speaker, no man who believes in a fair program for American agriculture will be satisfied with the proposed farm legislation now before us. It is not a good bill. It will not reverse the slide in farm prices that began 6 years ago. It does not even pretend to keep farm production in line with market demands. It offers the very real danger of depressed farm prices and glutted markets.

Unfortunately, the legislation has been written in the shadow of the presidential veto club. It is perhaps the only kind of a bill that could escape an administration veto.

It will be recalled painfully by farmers and their supporters in Congress, that the last Congress passed a good farm bill guaranteeing the farmer 90 percent of parity on his production provided that he agreed to reasonable limitations on the amount of production. That bill which was bitterly resisted by Secretary Benson, was quickly killed by the same man who campaigned for the Presidency on a pledge to maintain the 90-percent parity program for agriculture. The President vetoed with the stroke of his pen the very legislation that he promised farmers at Brookings, S. Dak., on October 4, 1952, that he would support.

This year, recognizing that the President would not sign a 90-percent-of-parity bill the Congress passed a modest bill which simply required the Secretary of Agriculture, Mr. Benson, to hold farm prices at not less than the 1957 level. But again, Mr. Benson fought the bill and again the President killed it with a veto. This was a serious blow to American farmers and to those Members of Congress who had been hoping that this "hold the line" legislation would give the Congress time to work out a more permanent farm program.

Members of Congress, Republicans and Democrats, alike, were dismayed by the administration's refusal to accept even the low price support level that had been in operation the previous year. A considerable number of our Republican colleagues called upon the President to dismiss Mr. Benson and appoint a Secretary who understood the serious problems confronting American agriculture. The President, however, reaffirmed his faith in the Secretary of Agriculture and praised him for his determination in resisting the will of Congress.

Meanwhile after months of hearings, the Committee on Agriculture reported a comprehensive omnibus farm bill that was carefully drafted with the cooperation of commodity groups from all parts of the Nation. This major farm legislation extended the wool program for 3 years and extended and expanded Public Law 480—a program which provides for the exchange of surplus farm commodities for foreign currencies. The bill also included strong programs for corn and feed grains, wheat, dairy products, cotton and rice. It was not a perfect bill, but by comparison with the hollow proposal now before us it was a masterpiece.

What happened to this measure that had been hammered out in months of long and patient committee hearings and investigation. It was killed by virtually solid opposition from those members who look to Secretary Benson for leadership on farm issues combined with a smaller group of representatives from metropolitan areas who have grown weary in the struggle to override presidential vetoes.

As one who has fought hard for better and fairer prices for American agriculture, I am thoroughly disappointed that the proposal now before us seems to be our only hope for a farm bill in this session of the Congress. We are told that even this watered down, anemic gesture in the direction of a farm program may be too strong for Mr. Benson since it



represents some improvement over the Senate bill. It is difficult to believe this report, however, since the bill is virtually a surrender to the low prices that the Secretary has been seeking for 6 years.

The bill now before us has nothing at all to say about dairy farmers. It has nothing to say about wheat. It does provide a grossly inadequate price floor for corn and feed grains in addition to the sections covering cotton and rice.

Instead of the 90 percent of parity prices for these commodities that were promised at Brookings in 1952, we are offered 65 percent of parity with no limit whatsoever on the volume of production. Every experienced farmer knows that this can only lead to an overwhelming production of cheap feed which in turn means cheap cattle, hogs and poultry. I predict with a heavy heart that in 1959, we will see a sickening collapse of our livestock markets if the Benson program continues at its present pace or if we do nothing more than is contemplated in this poor bill.

We know that at the present time cattle and hog prices are fairly good because of the shortages stemming from several years of drought in the States of the Southwest. The misfortune of the livestock producers of Texas and Oklahoma have actually raised prices for the cattle and hog producers of the Midwest.

We know, however, that the herds are being rebuilt. We know too that already there are large reserves of feed with the prospect of a huge feed crop this summer and fall.

Now it is proposed that all efforts to limit production be abandoned and that farmers be encouraged to go all out to produce all the corn and feed grain that they possibly can. Indeed, given the proposed low price level, farmers will have to go all out to survive. Farmers know, even if Mr. Benson stubbornly refuses to recognize it, that when prices go down, farm families must increase production in order to pay their bills.

This is the real tragedy of the Benson price cutting policies of the last few years. They have driven most of the farmers out of the corn control program and the resulting impact on other feed grains has been one of demoralizing prices. We cannot rely on painful droughts or other calamities of nature to hold up farm prices by the creation of shortages. What we can and ought to do, is to treat the farmer the same as the industrial producer and worker. In other words, we ought to restore the parity principle which assures the farmer a reasonable return on his investment and labor providing he respects the amount of production that constitutes his share of the market. On one national referendum after another farmers have voted their approval of just that type of program.

Today, however, the choice before us is this weak and shallow farm bill, or no bill at all. Given that choice, I have reluctantly decided to vote for the bill. It at least has the merit of including an extension of the very fine and effective wool program.

In swallowing the other sections of the bill, I feel much like a starving man swallowing a thistle. It doesn't taste

very good, but knowing that a stronger bill would quickly draw the wrath of Mr. Benson and a veto from the President, I am going to stifle a gag and swallow it as the only alternative. I hope and pray that it will prove to be a better program for the men and women who work the soil of South Dakota and the Nation than now seems apparent.

Recognizing that this proposal is not the answer to the problems of agriculture, I intend to continue the fight for fair treatment of the American farmer. The farmer, his wife, and his sons and daughters work longer and harder and for less pay than any other citizens of this land. They are entitled to a fair return. I have never known a farmer who asked for unreasonable prices for his produce. But we cannot expect the farmer to operate indefinitely on lower prices for his produce and constantly higher prices for everything that he buys.

I believe very deeply in family farming as a way of life. It is to the benefit of all America that a large number of our families continue to draw the strength that comes from living close to the soil and the wonders of nature. I regret the exodus of so many families from the farm to urban centers. This is the inevitable result of rising farm costs and falling farm prices.

As a means of encouraging the family size farmer, I offered an amendment to the farm legislation under consideration in the House early last year. That amendment would have provided 90 percent of parity price supports on all farm production up to the level representing what an average farm family would produce. It was gratifying to me that my proposal came within four votes of passing the House on a teller vote.

Encouraged by this near-victory for family farm legislation, I introduced a comprehensive farm bill this year, which I believe still offers the best long-range program for American agriculture. The gentleman from California [Mr. ROOSEVELT] joined with me in supporting that proposal and together we sent a personal letter to all the Members of Congress urging their consideration. This letter, dated March 10, 1958, represents a summary of the basic principles of the program and is reproduced at this point in the RECORD.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., March 10, 1958.

#### FAMILY FARM INCOME IMPROVEMENT ACT OF 1958

DEAR COLLEAGUE: We believe that the Congress should move now to develop a more satisfactory program for American agriculture.

There is little to be gained in arguing the question of who is to blame for the current predicament of the farmer. The fact remains that agriculture—our largest and most important industry—is in trouble. Falling farm prices, rising costs, the paradox of surplus food in a hungry world—these are the familiar aspects of the problem.

Farm purchasing power is several billion dollars below the level of 5 years ago, or 10 years, or even 15 years. This is a painful experience, not only for farm families; it is equally painful for city dwellers who are unemployed because the farmer is unable to purchase the industrial goods that his city

cousin would like to produce. Lost farm purchasing power is a problem, too, for businessmen who see their sales dropping in rural areas.

In short, our entire economy suffers from the depressed condition of agriculture.

This costly problem can be solved by a proper Federal farm policy. It is our responsibility to formulate that policy. Each month that we delay means a loss of many millions of dollars to the American economy.

What kind of a Federal farm program would be of maximum benefit to the farmers and to the Nation as a whole?

We believe that any such program must take into consideration four major factors: (1) It must be of maximum benefit to the family-size farmer who makes up the great bulk of our rural population. (2) It must not raise food costs to city consumers. (3) It must not be unreasonably costly to the Federal Treasury. (4) In view of our position as a leading world power, a Federal farm policy should be related to our opportunities and responsibilities abroad.

With these considerations in mind and working with the assistance of experienced agricultural experts, we have drafted comprehensive farm legislation (H. R. 10966 by Mr. McGovern and H. R. 10967 by Mr. Roosevelt).

The following are the major provisions of this legislation:

1. Building on the concept of "parity of income," it maintains returns to farmers at not less than 80 percent of full parity of income in relationship to comparable labor and investment in the nonfarm elements of society. Such protection is extended to all types of farm commodities, not just a few favored basics.

2. In return for this assurance, farmers would establish marketing quotas and other forms of market adjustment to remove the necessity of expensive price support and storage operations during periods of full prosperity. Quotas would be assigned so that farm marketings would clear the market during periods of full employment and prosperity.

3. During years of less than full employment (when the number unemployed is 3 percent or more of the civilian labor force), farm prices would be permitted to drop while farmers continued to produce for market a volume equal to what would clear during full employment. To the extent that resulting prices were less than the parity prices set by the act, the differences would be paid directly to farmers in the form of parity income deficiency payments.

Such payments would, in effect, be a subsidy to consumers designed to offset declining consumer purchasing power by enabling the farmer to sell for less than he would during a period of full employment. This would be an excellent anti-recessionary device.

4. The benefits of the program are limited to family farm production. No farmer would be given more than \$3500 of parity income deficiency payments in any one year. Larger producers would be required to take greater cuts under the marketing restrictions of the bill.

5. The Commodity Credit Corporation and its Board would be converted to a Federal Farm Income Improvement Corporation and Board. Five farmer members would be named to the Board by elected members of the State farmer committees.

It will be recognized that the above proposals follow in part some of the principles suggested by former Secretary of Agriculture Brannan in 1949. The Brannan principle has been operating through the National Wool Act for several years and has been extremely effective. With some modifications and adjustments, it can work equally as well with other farm commodities.

A more detailed discussion of the proposed legislation may be found in the CONGRES-



SIGNAL RECORD of February 27, 1958, pp. 2671-2673, under the heading "Family Farm Income Improvement Act of 1958."

We trust that you will be able to find time in your busy schedule to consider this proposal. We think it is significant that one of us is a representative of a predominantly agricultural district, while the other represents a metropolitan area. Our legislation is drafted with the best interests of both areas in mind.

It is most urgent that the Congress move now in this session to meet the agricultural depression which is taking such a heavy toll throughout our entire national economy.

Very sincerely yours,

GEORGE MCGOVERN,

First District, South Dakota.

JAMES ROOSEVELT,

Twenty-sixth District, California.

(Mr. MCGOVERN asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD on the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BROWN of Missouri. Mr. Speaker, a farmhouse divided against itself cannot stand. And if this House suspends the rules and passes this short-sighted half-baked conglomeration that bears the erroneous label of a farm bill, if we by this one hasty act slam the door in the face of milk farmers and wheat farmers and poultrymen who are not even mentioned by name in this measure, if we buy this pig in a poke out of sheer desperation, we will reap a harvest of disunity among farmers that will haunt this Nation for years to come.

Many who have spoken would lead you to believe that our choice today is between a bad Senate bill and a House bill that is not quite so bad. That is not true. We do not have to pass the Senate bill. As bad as our agricultural program is under the great experimenter from Utah, we don't have to make it worse. Nothing really makes it imperative that we accept Mr. Benson's theories. If cotton producers need more acreage, repeal the escalator clause in the 1938 act and deal only with acreage. But don't fool around any more with prices. Surely, experiments in agricultural czar price fixing have already gone too far.

I have supported the President on many things in this Congress. I have voted for his proposals every time I thought he was right. But he has been tragically misled by his Secretary of Agriculture into one inglorious agricultural experiment after another; and this one before us now has a feed grains section in it that may well be the worst experiment of the Benson era.

No one in this Congress wants a thorough reform of agricultural laws more than I.

But on behalf of milk farmers, turkey growers, livestock producers, and American citizens, I cannot cast a vote to give the Secretary of Agriculture legal authority to set feed grain prices below cost of production.

I cannot cast a vote for a measure that would ignore sound conservation principles and force more pastureland into cultivation. At lower prices, crop farmers would have to plow up marginal land to produce feed grains.

If this bill becomes law, dairy and wheat farmers are out in the cold next year and the year after. Mr. Benson and cotton section members won't even consider a bill next year.

But if this measure comes to the floor under a rule permitting amendments, we can perhaps amend it and bring it more in line with sound agricultural principles. At least, we could try to include a dairy section, a wheat section, a food coupon program, and try to improve this unwise feed grains section.

But if this measure is steamrollered through with no privilege of amendment, let us not try to fool anyone. This is not a farm bill. It deals with only part of the problem.

I cannot in good conscience vote our southwest Missouri vote for a measure that leaves our farmers out in the cold.

I urge this House to vote against legislating in this manner. To pass a bill just to say we passed one is the very worst service we could render the American farmer and the Nation.

Mr. HAGEN. Mr. Speaker, I will begin by discussing the cotton, rice, and corn and feed grains provisions of S. 4071 as finally approved by the Senate.

First. Cotton: The Senate bill would establish a minimum cotton acreage for 1959 and thereafter of a basic 16 million acres; however added to this in perpetuity would be 315,000 to give every farmer the smaller of 10 acres or his 1958 allotment. In addition for the calendar years 1959 and 1960 only each farmer would be permitted to overplant his allotment by 40 percent if he desired to accept a support price on his whole crop which was 15 parity points below that received by a farmer who stayed within his allotment. This provision of the Senate bill was a recognition of the fact that there are large numbers of farmers in the United States who, given the opportunity of efficient planting, can grow cotton cheaper at a profit with less reliance on Government supports. This provision accepts the premise that these efficient growers have earned the right to larger plantings if only for a period of 2 years.

Pricewise the Senate bill provides no support floors for 1959 and 1960 except the current formula amended to recognize probable supplies from so-called class B producer production. Commencing in 1961 price support would be determined in perpetuity by a moving formula of 90 percent of the 3-year average of the previous 3 years of market prices. This market price formula would be qualified only by the requirement that the price could be no lower than 30 cents a pound on 1-inch middling cotton or 60 percent of parity based on such 1-inch cotton whichever figure is higher.

The Senate bill provided for purchase of so-called class A grower cotton and immediate resale at a price representing 110 percent of the group B price sup-

port—a formula which translates into 71.5 percent of parity as a resale price.

This 7.5 price would probably be that at which class B growers would sell their cotton for 2 years and such fact would tend to prove or disprove the proposition that there are substantial numbers of cotton growers who can grow cotton cheaper, sell it at a lower price, and make a profit.

The House bill changes the Senate bill in these substantial particulars. It deprives the efficient growers of the firm opportunity of overplanting their allotments by 40 percent. It pegs the 1959 support price on cotton as poor as seven-eighths middling at 80 percent of parity. It pegs the 1961 support price at 70 percent of parity based on average of the crop rather than middling inch staple. It pegs support prices thereafter at the higher of 30 cents a pound or 65 percent of parity based on average of the crop rather than middling inch staple.

In other words the House bill gives less recognition to the rights of growers who have proved their ability to produce cotton in competition with synthetics and it generally raises the minimum level of price supports in all years substantially with the probable premise in mind of keeping in production the least efficient acres in the cotton business.

We in the West were prepared to accept the Senate bill in spite of the fact that we considered it defective. We felt that the 10-acre minimum provision should be eliminated or at best instituted for only 2 years. This provision assures production from acres which can never grow cotton competitively. We felt that class B growers, who have proved their ability to grow competitively should be able to develop acreage history beyond their allotments. We felt that 16 million plus 315,000 acres, without discrimination as to the quality of the production from those acres, as a minimum acreage was too high because it would produce constant surpluses of an unsalable type.

Nonetheless we were willing to accept the Senate bill because it moved in a direction pricewise which would be for the benefit of the whole cotton industry. The House action in upping said price levels, of course tends to defeat this aspect of the Senate bill. For this reason it is objectionable to those of us who represent cotton growing areas of proved, modern efficiency.

The foregoing observations apply generally to the House Committee action with respect to both rice, and corn and feed grains.

Second. Rice: In the case of rice a minimum acreage is established which will produce surpluses if the support price is high enough and the price is made high enough.

Third. Corn: In the case of corn and feed grains the Senate program is accepted with only one basic change—that of increasing the level of minimum price support. This change is not minor however, because the basic premise of the Senate proposal is the establishment of a program without quotas and with the governing of production levels related exactly to price.



I would hope that the Senate bill would prevail as being the better farm legislation. It can prevail either in conference or by action here to refuse to suspend the rules and taking the matter up under a procedure which would permit adoption of the Senate proposals on the floor of the House. I have not decided what my course of action will be with respect to strategy. There are many imponderables to consider; I have, however, pointed out the basic deficiencies of the House proposal with particular emphasis on cotton.

Mr. MARTIN. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. HOEVEN].

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Speaker, I exceedingly regret the circumstances which confront us today in considering this new farm bill. I regret particularly that I have to take a position opposite to that of my minority leader.

I want to speak to you very frankly about this legislation. If you really want a farm bill, I urge you to vote for the suspension of the rules and send the bill to conference so we can iron out our differences. We of the House conferees will do our level best to work out a satisfactory solution of the problem. After the conferees have reached agreement, the matter comes back to the House again in the form of a conference report. If you do not like the conference report as presented you can vote against it. The report can be sent back to conference even with instructions. Your vote to suspend the rules will most certainly not preclude further action. This bill came out of the Committee on Agriculture by a vote of 28 to nothing. It seems only fair for the House to sustain the committee position and then let the conferees work their will. The suggestion has been made that we scuttle this bill and then seek a rule.

That is not going to be as easy as you think it is. I have no way of knowing whether or not a rule would be granted. If a rule were granted on the bill, we would really be inviting a lot of trouble. Assuming that there would be an open rule, we would be confronted by many dangerous amendments. There would be an amendment for a two-price system for wheat. There would be an amendment to set up a glorified self-help program for dairying similar to the repudiated proposal contained in the original omnibus bill we would become so bogged down that we would likely wind up with no bill at all. In my humble judgment the sensible thing to do is to vote to suspend the rules, pass this bill and get the matter to conference.

Let me confide in you that the only real objection to the bill involves 3 cents a pound on cotton. The Senate bill provides for 3 cents less for a pound of cotton than the House bill and that is really what we are fussing about here. That matter can be ironed out in conference. I do not want any part in scuttling a farm bill at this late time in the session. So I urge upon you to

vote for the suspension of the rules and give us a chance to work out a good bill in conference.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. ABERNETHY. It is a fact, is it not that Secretary Benson requested the Congress to enact a program permitting him to support prices at 60 percent to 90 percent of parity, which would retain the parity concept? That is true; is it not? And, is it not a fact also that this committee has gone most of the way with him and is now offering a bill which is within 5 percentage points of parity of what he requested?

Mr. HOEVEN. The gentleman is exactly right. This bill is working in the direction of what the Secretary wants so I cannot understand why there should be any serious complaints.

If the House will pass the bill and send it to conference I am sure we can work out a bill which will meet with the House's approval and which in turn will also be approved by the President.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas [Mr. GATHINGS].

(Mr. GATHINGS asked and was given permission to revise and extend his remarks.)

Mr. SIMPSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. GATHINGS. I yield.

Mr. SIMPSON of Illinois. Will the gentleman not forget to tell the Members of the House that this came out of the committee by a vote of 28 to 0?

Mr. GATHINGS. The gentleman is right. I appreciate so much that very fine comment by the gentleman from Illinois. Yes, it came out of the Committee on Agriculture by a vote of 28 to 0 with 3 voting "present."

Mr. Speaker, let us talk about cotton for just a moment. We did change the Senate provision as to cotton and as the gentleman from Iowa said, it is just a matter of 2.81 difference that seems to have caused the objection of the minority leader. The reason we are in this argument right now is whether you are going to base cotton on the average of the crop or on middling inch as the basis to determine its value.

That is all it is. That is a technical point and 2.81 cents per pound is the main reason given for opposition to this bill. Such a small change in the bill should not be permitted to adversely affect its approval. I want to call the attention of the House to the fact that in this bill we have the provision "not to exceed 40 percent" increase for the "B" farmer in the program. The other body in its bill passed a strict-firm 40-percent increase for that "B" man. So we have given the leeway and full discretion to the Secretary of Agriculture, to make that determination himself as to what increase is going into the "B" program. That change is most desirable as the Secretary will be availed of all of the facts with respect to the supply and disappearance of cotton. He could set the increase percentage at such a figure as would assure participation in

the program and at the same time not excessively increase the surplus.

In reporting the cotton title to this floor today it is not a "fly by night" or "hit and run" effort. The provisions have been carefully and tenaciously prepared. It is the culmination of many months of hard work. Intensive hearings were held with respect to all phases of the overall problem. The group heard State groups of farmers, farm organizations, cotton groups including the National Cotton Council, the Department of Agriculture officials on many occasions, the exchanges, and others. A total of 59 meetings were held by the subcommittee. Many ideas and plans were carefully weighed before this draft was finally agreed on.

The plan we offer is not perfect; it could be improved upon probably. It is not what many of us would like to have included in a cotton bill. It could be said that the farmer is being deprived of quite a lot of income since the committee was attempting to obtain legislation that would be approved at the White House. It is not easy to legislate with one party in the majority in the legislative branch and the opposite party having control of the executive branch of the Government. Both parties cannot hope to obtain all that they would like to attain. It is a matter of compromising differences as far as possible. What we are bringing to you is a cotton title to this bill to more nearly comply with the thinking of the Department of Agriculture, which had asked that price supports for basic commodities be set by the Secretary of Agriculture at a figure between 60 and 90 percent of parity, taking into account and consideration guidelines that had been written into agricultural laws for some time. We think we have a program that the cotton farmer and the cotton industry can live with and one that the Department of Agriculture would doubtless accept, although officials have not indicated for the record that they would want to deviate from the 60 to 90 percent request which was made in the President's message to Congress in January 1958. The Department does recognize that something must be done for cotton and they have worked with our subcommittee to arrive at some sort of middle-ground plan or policy.

This cotton program attempts to do three things: namely, bring production in line with demand; provide for selling at more nearly competitive prices at home and abroad; and offer to the cotton farmer income inducement during the transition period. These are the three major objectives which are sought by this legislation.

A program for cotton for 1959 is imperative. Failure to pass amendments to the act at this session could mean a cutback in the national cotton acreage allotment from the current year's figure of 17,500,000 acres to an estimate of about 14 to 14½ million acres for 1959. Such a drastic reduction, after being previously reduced about 40 percent would be prohibitive.

The cotton picture is not good. The production last year was low—only 11



million bales were produced because of a disastrous crop year of excessive rainfall. The grade of the cotton was the lowest in more than 10 years. Yields dropped in 1957 to an average over the belt of 390 pounds per acre. That is a big reduction when you consider that there had been more than 400 pounds average overall production for the immediate prior years.

The acreage that went into the soil bank acreage reserve for 1958 was sizable. According to the report from the Agriculture Department through April 11, there was signed and filed applications totaling 4,765,328 acres. All offerings of cotton acreage for participation brought the total to 5,078,239. The production in 1958 will fall short of the expected sales or disappearance for the year.

The plantings this spring are late due to adverse weather. About 3 weeks' time was lost due to heavy rains in parts of the belt. Sunshine—and lots of it—is needed to avoid another dismal year.

The cotton industry is threatened with disaster and ruin if this Congress fails to enact suitable legislation at this session that would be effective in 1959. The patient is ill—desperately ill.

The domestic consumption of cotton is down about 15 percent compared with the level 10 years ago, at a time when manufactured products have advanced about a third. Manmade fiber sales have increased over that same period from a 2-million-bale equivalent to 2,400,000. The farmer has been cut back in acreage to such an extent that the 1957 harvested acreage was the smallest since the year 1878. All of this has been happening in a period of economic prosperity and expansion, and in a generally healthy nation. The Department of Agriculture should be especially commended for inaugurating the cotton-export program which has demonstrated full well that American cotton is desired and sought, not only by our domestic mills, but throughout the world.

The bill provides 80-percent supports for the A producer and 65 percent for the B producer the first year of 1959. The next year, 1960, the A man gets 75 percent of parity support and the B man gets 60 percent. The cotton that the CCC took in at 60 percent would come out of the loan at 110 percent of such support price making the cotton sell for 66 percent of parity or higher than in 1961. The support price would be 70 percent with elimination of A and B crops.

In 1962, and succeeding years, the support level would be no lower than 65 percent of parity for all producers with a floor of 30 cents per pound level on the average of the crop.

Price is an important factor as was so ably presented to the Committee on Agriculture by the National Cotton Council. Mr. C. A. Cannon testified that should his mills not have to pay for cotton, sheets in the city of Washington that have been selling for \$2.29 could be bought by the consuming public for \$1.14. Passage of this legislation will mean increased consumption at home and abroad and a boon for the general economy. We should sell considerable more cotton

under this program. For the farmer that means he could plant enough to meet the increased demand.

Cotton is most important to the Nation's economy since it affects the lives of so many of our citizens. In 1953, the National Cotton Council, from studies conducted, found that approximately 8 percent of the United States population was dependent totally, or in major part, for their living on cotton. Their latest estimates indicate that about 8 million American citizens today are dependent on cotton for their livelihood. This figure does not include transportation employees or retail employees. It does include cotton growers, ginnermen, warehousemen and compress employees, and textile workers. It does not include cotton merchants, advertising agency staffs, or temporary farm laborers. It includes 3,781,100 people on cotton farms, 53,300 cotton ginnermen, 13,700 cottonseed-oil millers, 13,000 warehousemen and compress employees, and 1,525,000 employees in textile cotton mills. It includes an additional 2,568,000 employees of cotton manufacturing plants.

The enactment of the proposal presented here today would mean for continued employment in the cotton industries over a vast territory from Maine to California. I trust that the bill will be approved.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Speaker, I would simply like to say that if we proceed to get a rule we will not know any more about this legislation when we come out with a rule than we know about it now.

This bill was voted 28 to nothing. I believe it will help the consumer because it will reduce the price of cotton, corn, and rice, and we should be able to get cheaper shirts and cheaper cotton fabrics. Also cheaper beef, cheaper pork chops, and cheaper hamburgers. The reputation of the Committee on Agriculture and the reputation of the House is at stake. I think that when we vote something out of a committee 28 to nothing that the entire House should stand by it and let it go to conference and let any let any differences be ironed out that way.

The SPEAKER. The time of the gentleman from New York [Mr. ANFUSO] has expired.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, we all know, I am sure, that the Committee on Agriculture worked all last year and all this year trying to secure the passage of a farm bill. We have long recognized the need for this legislation. At last our committee got unanimity on it. We have further unanimity on the fact that this is the last clear chance to pass any farm bill at this session. Either we must pass the bill today and let us go to conference or there will not be one chance in a thousand of having any farm bill this year. Everybody on this floor knows it.

Regardless of whether you are for or against this bill or any bill, you must realize that the question is now quite

clear. If you want a farm bill, you are going to vote for this one, because there is not time enough to expect the passage of any other bill. It is this bill or no bill. Nor is it reasonable to expect this bill to pass except by the present method. It is suggested that we should seek a rule. That means delay and probable loss of the bill. If it were early in the session, a rule would be desirable. Late as it is, I feel we must suspend the rules.

Certainly, I think there were many other better bills presented at this session. The President vetoed a bill which was probably better. Later, this House refused to approve a rule to even consider a much better bill. But regardless of what you think of this bill, it is almost sure to be the only bill you will get a chance to pass and send to the White House this year. I hope we may all join in one last response to the plight of our farmers. Let us vote for a farm bill.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. MARTIN. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. TEWES].

Mr. TEWES. Mr. Speaker, it has been said repeatedly that the vote for this bill in the committee was 28 to nothing, with the inference that it comes from the committee without reservation. Standing before you is one member of that committee who registered his reservations by voting "present." I did so because, like all of you here today, I did not have an opportunity to know the exact meaning of many provisions in the bill.

The cotton portions of this bill are in dispute. The grain provisions are controversial. The rice sections are not universally accepted. Yet all this is rolled into one bill which we must accept without debate or amendment in the next 20 minutes.

Throughout this session, I have noted that agricultural legislation has been pointed toward cotton. When the support price of dairying was about to expire in April, we were told that the law could be extended—at the price of adding legislation favorable to cotton. This resulted in a veto. When Public Law 480 expired last month we were told the law could be extended—again by paying cotton's price. The Congress rejected the bill. Today we are told the wool program can be extended—by passing a bill for cotton.

Why must saving cotton be the ransom for all desirable and deserving agricultural programs?

It is said that the reputation of the House Committee on Agriculture is at stake. If so, it is because we have resorted to these parliamentary maneuvers the real object of which is to benefit cotton.

The chairman himself has made the most convincing argument against this bill. He says, "We do not want this bill in toto. But pass it under the suspension of the rules and let us bargain in conference with the Senate." The country needs and agricultural bill, not a bargaining bill.



The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. COOLEY. Mr. Speaker, I yield myself 2 minutes.

I would just like to say that perhaps the rice and corn programs provided in this bill are not high enough to satisfy some Members of this House. I think the distinguished gentleman from Wisconsin is taking the position that we are putting the quotas on corn too low. We have to be realistic about it. We are putting it slightly higher than the Secretary of Agriculture wants us to.

Mr. SIMPSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. SIMPSON of Illinois. All we are trying to do is to keep the corn from ending up with just a cob.

Mr. COOLEY. I want to congratulate my Republican colleagues for their great cooperation in trying to bring a workable bill to the House.

If I were to write a bill, I would write one in keeping with the views of the gentleman from Minnesota [Mr. ANDERSON], who is opposing the bill, because it does too little for the farmer. But I know we must be realistic and take this bill to conference in the hope that we can agree on a bill that will be acceptable to the administration, that the administration will not veto, and at the same time one that will be of some benefit to the farmers and the people in this country generally.

Mr. MARTIN. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, I am a cotton man. I am from a cotton State. Cotton is the chief cash crop in Missouri and Missouri raises more cotton per acre than any State in the Union.

And I have voted for every cotton bill that has come before this House in the last 35 years.

So, Mr. Speaker, I feel free to counsel with my cotton brethren here today as we approach one of the most fateful milestones in the history of farm legislation. Times are changing. And we must accommodate ourselves as best we may to altered conditions. Cotton is no longer king. As much as I regret to say it, cotton is no longer the dominant power in the Democratic Party or the House of Representatives. And the sooner we appreciate that fact, the better for us and our party and our country. Cotton must have a square deal and we insist upon it. But cotton can no longer ride roughshod over all other agricultural products, and let the devil take the hindmost. We must stand shoulder to shoulder with the American farmer, wherever he may be, West, North, or East.

The farmer faces a critical situation. The cost of living increased again this month, and now breaks all records, both in the city and in the country. At the same time the Department of Agriculture reports that farm prices declined 3½ percent for the month ending June 15, 1958. United States Steel has just announced an increase of \$4.25 a ton on steel, hiking the price of the farmer's machinery and increasing his cost of

production while his income is falling. About all there is left to do to the farmer is to follow the Russian plan and shoot him—with the fifth column aiding and abetting.

The enactment of this bill would destroy for this session and this Congress—and probably for the next Congress—all hope of a general farm bill. It would also destroy all hope of consumption of surplus except by storage. All prospect for the adoption of a food stamp plan is gone glimmering. As the distinguished Congresswoman from Missouri, Mrs. SULLIVAN, well says: "We can help the needy of other countries but we cannot help our own." A cotton bill won't aid them.

It is not a farm bill. It is a cotton textile manufacturer's bill. It is a feed manufacturer's bill—although the Ralston Purina Co., the largest feed manufacturer in the country, reported last Thursday that its profits for the third fiscal quarter, ending June 30, 1958, were the second highest on record, 80 cents a share for the quarter in comparison with 52 cents a share last year.

Here is what the Missouri Farmers Association says about that phase of the bill:

JULY 29, 1958.

As the House of Representatives prepares to consider the Senate farm bill, we wish to record our opposition to the provisions of the Senate bill relating to corn and feed grains. We feel that without amendments similar to those proposed by Senator SYMINGTON in the Senate, the corn and feed grain provisions of the Senate bill are wholly unacceptable.

We sincerely hope members will use their best efforts to obtain an amendment providing for substantially higher price supports for corn growers who will comply with voluntary acreage allotments.

Without amendments, prices of corn and feed grains will inevitably sink to very low levels, and hog, cattle, and poultry prices will likewise crash.

Please note the lack of protection for the dairy farmer as contained in the Senate bill.

As to other provisions of the bill, we favor extension of Public Law 480 and the Wool Payment Act.

Also, since it appears that cotton producers generally favor the cotton provisions of the Senate bill, we would like to advise that this portion of the bill is acceptable to us.

However, help in correcting the corn and feed grain provisions of the bill will be sincerely appreciated.

FRED V. HEINKEL,

President, Missouri Farmer's Association.

But, Mr. Speaker, the bill cannot be amended. It is brought in here under suspension. That in itself is an imposition on the House. Speaker Longworth said suspension was to be used only for routine measures; that it was unfair in that it permitted no amendment and practically no debate. I am astonished that a bill of such importance to both the producers and consumers of America should be brought up in this unfair manner.

It is not a farm bill; it is the humbuggiest humbug that was ever humbugged. If it passes, 20 years of successful farm legislation will be lost. Slowly and painfully through the years we have built up a semblance of parity for the farmer and now with this peremptory

measure all progress will have been wiped out.

A farmhouse divided against itself cannot stand. With this unequitable bill you are driving a line of cleavage between the farmers of the country. You are creating a breach that can never be completely healed.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Minnesota who has contributed so much to farm legislation during his entire service in the House.

Mr. H. CARL ANDERSEN. The gentleman from New York [Mr. ANFUSO] made a very correct statement when he said that the effect of this bill would be to provide cheaper corn and cheaper beef and meat for the consumers.

Mr. CANNON. Of course. Cheaper shirts and cheaper food so they can have cheaper labor. They think by driving down the price of food below the cost of production they can compel the laboring man to accept less than a living wage for his labor.

Also, they are trying to completely eliminate agricultural production and make America a manufacturing nation exclusively and trade manufactured products for food produced by other countries.

Mr. Speaker, it has been said here on the floor this afternoon that this is a Democratic bill. A Democratic bill on so important a subject would be a misfortune. We want a bill by all parties acceptable to farmers of all sections bringing ample food and raiment and prosperity to every State in the Union.

If such a bill as this goes to the country, the farmers of the Nation will say to you: "We asked you for bread and you gave us a stone." Let me add one letter:

THE NATIONAL GRANGE,

July 30, 1958.

DEAR MR. CHAIRMAN: Please accept my gratitude for your remarkably fine address on Tuesday, July 22, speaking in behalf of rural Americans.

The prophetic truth of your whole underlying theme there is one that somehow or other we must get understood much more thoroughly and much more rapidly than we have thus far been able to do. Your contribution is much appreciated.

Respectfully yours,

HERSCHEL D. NEWSOM,

Master.

Mr. COOLEY. Mr. Speaker, I yield the remainder of my time to the gentleman from Texas [Mr. RAYBURN], our distinguished Speaker.

Mr. RAYBURN. Mr. Speaker, we have just witnessed one of the most amusing performances that I have ever seen in the House of Representatives by my good and dear friend, the gentleman from Missouri [Mr. CANNON], who is always bringing out bills and saying "Stand by the committee." And, the gentleman from Missouri is no different than I was when I used to be chairman of a committee.

Now, this thing, in my opinion, is just this simple. It is this bill on its way to conference or no agricultural legislation at this session of the Congress.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?



Mr. RAYBURN. I yield to the gentleman from Massachusetts.

Mr. MARTIN. The gentleman does not mean that. He knows we can get a rule and bring it out.

Mr. RAYBURN. Well, we had a rule here the other day on a general farm bill which was voted down.

Mr. MARTIN. But we had a rule, though.

Mr. RAYBURN. The gentleman from Massachusetts got up and talked about an unusual procedure here. Why this procedure for the suspension of rules has been around here even longer than I have, much less the gentleman from Massachusetts. It is an ordinary procedure. This is the way to get this bill to conference and get it to conference hurriedly and get a bill that gives the farmers of this country much needed legislation which they do not now have. I know something about farming. I have lived on a farm all my life. I own some farmland, and I know the situation that the farmers of this country are in. We have got to give them a lift, or they are all going to leave the farms.

Therefore, I urge upon this House to suspend the rules and pass this bill and let our able conferees who are unanimous for a farm bill, for this bill, work something out that will be helpful to the farm population of the United States. And, when it is helpful to the farm population of the Nation, these millions of people, it is helpful to everybody in the country. There has never been a great depression in this country when the farmer was prosperous. When millions of people on the farms do not have any buying power, people are out of work, bankruptcy happens and we are in a bad way, in a depression that is pretty hard to get out of.

Mr. SIMPSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Illinois.

Mr. SIMPSON of Illinois. I will say to the present Speaker that there must be 19 other suspensions of the rules up today.

Mr. RAYBURN. That is right. And, nobody is objecting to this procedure on any bill except this one, because Mr. Benson has said to somebody that he did not like this bill. Now, as far as I am concerned, I think one of the most unfortunate things for a Republican or a Democrat in a farm area is to be known as following the judgment of Mr. Benson on farm legislation.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired. All time has expired.

Mr. MARTIN. On that I ask for a rollcall.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the further consideration of the bill be postponed until Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

# NATIONAL AERONAUTICS AND SPACE ADMINISTRATION APPROPRIATION BILL

Mr. BROOKS of Louisiana. Mr. Speaker, I move to suspend the rules and pass the bill (S. 4208) to authorize appropriations to the National Aeronautics and Space Administration, for construction and other purposes.

The Clerk read as follows:

*Be it enacted, etc.,* That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration the sum of \$47,800,000 for acquisition or condemnation of real property, for plant and facility acquisition, construction, or expansion, and for other items of a capital nature as follows:

Pilotless aircraft station, Wallops Island, Va.: Additional launching facilities; range control and administration building; shop and laboratory facilities; roads, causeway, bridges, seawall, and appurtenances; utilities; equipment and instrumentation; and approximately 3,400 acres of land, \$24,500,000.

Space projects center, vicinity of Washington, D. C.: Space projects building; research projects laboratory; roads and appurtenances; utilities; equipment and instrumentation, \$3,750,000.

Various locations: Equipment and instrumentation, \$19,550,000.

SEC. 2. Any of the amounts enumerated in section 1 of this act may, in the discretion of the Administrator of the National Aeronautics and Space Administration, be varied upward 5 percent to meet unusual cost variations, but the total cost of all work so enumerated shall not exceed \$47,800,000.

The SPEAKER. Is a second demanded?

Mr. McDONOUGH. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. BROOKS of Louisiana. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, on July 29, 1958, the President signed into law the legislation establishing the National Aeronautics and Space Administration. This Administration will have the responsibility for conducting research into problems of flight within and outside the earth's atmosphere. This new agency will be established within 90 days, but in the meantime, in accord with the President's direction, the National Advisory Committee for Aeronautics has assumed the responsibility for preparing and presenting to the appropriate committees of the Congress such plans and programs as are necessary in preparation for the establishment of the new agency.

On the basis of an indicated need for additional funds, the distinguished gentleman from Massachusetts [Mr. McCORMACK], on July 31, 1958, introduced H. R. 13169. On August 1, 1958, Dr. Hugh L. Dryden, Director of the NACA, appeared before the select committee and in a public hearing presented an explanation and justification of the request by this new agency for authority to construct various facilities, and for

other purposes. The request would authorize the construction of various additional facilities at the Pilotless Aircraft Station, Wallops Island, Va., a space projects center in the vicinity of Washington, D. C., and equipment and instrumentation at various locations. This construction, and equipment was determined by the committee to be a necessary part of the overall civilian space program and it is imperative that Congress take every step necessary to assist in getting this program fully operational.

Section 1 of the bill authorizes the appropriation of \$24,500,000 for construction work on Wallops Island, Va. This would include the construction of additional launching facilities; a range control and administration building; shop and laboratory facilities; roads, causeway, bridges, seawall, and appurtenances; utilities, equipment and instrumentation; and purchase of approximately 3,400 acres of land. No appreciable increase in the number of personnel is contemplated at the Wallops Island installation as these expenditures are primarily for the purpose of improving and expanding existing facilities. Wallops Island is not occupied by a large permanent party as it is primarily used as a testing center where groups from various laboratories can come to test equipment and then return to their home bases. However, there are certain necessary housekeeping functions and because of the hazards involved on the island proper it is necessary to establish these facilities on the mainland. This requirement makes the purchase of approximately 1,000 acres on the mainland necessary, plus an additional 1,600 acres of intervening marshland, together with 800 acres on nearby Assowoman Island, which are required for tracking stations, and for security and safety reasons. A causeway to the island is considered necessary because there is no permanent link with the mainland at present. The use of ferries from the mainland, where the personnel live and where the housekeeping facilities are located, to the island causes the loss of many important man hours. This situation also makes the transport of certain heavy equipment to the island difficult or impossible. It is much more desirable that the facilities at Wallops Island be made adequate for the smaller type of tests contemplated than to tie up a facility, such as Cape Canaveral. Since Cape Canaveral is geared to handle tests of the greatest magnitude, using it for small tests would be about as reasonable as using a 10-ton truck to deliver a single chair.

Section 1 further authorizes the appropriation of \$3,750,000 for a space projects center which would include a space projects building, research projects laboratory, and the necessary roads and utilities. In order to carry out and properly coordinate its new responsibilities in the field of space research and exploration, the NASA must assemble a unified group of personnel. The size of the group is such that, in the relatively



near future, any combination of this group and an existing NASA laboratory would become administratively unwieldy. Although temporary office and laboratory space will be made available at an existing station by rearrangement and crowding, new office and laboratory facilities for a space projects center must be provided at an early date. Some of the advantages to be gained by locating this center in the area of Washington, D. C., are ease of liaison with other Government agencies, the Nation's scientific community, and the staffs of many industries which NASA will be contracting with and who maintain Washington representatives. There is the additional consideration that the Washington area is convenient to long-range air transportation and to major rail and highway routes. This is an important consideration because of the far-flung nature of space-flight launching and tracking operations.

Section 1 also authorizes the appropriation of \$19,550,000 for equipment and instrumentation at various locations. Fundamental to the effective conduct of the long-range space-flight experiments planned in the NASA space-flight program, particularly those involving advanced satellites, atmospheric reentry vehicles, and vertical and lunar probes, is the provision of adequate scientific measurement and operational systems at various locations on the earth. We must not only be concerned with the effective launching of certain experiments, but must provide the facilities for following the experiment to its conclusion in order to glean the maximum amount of information.

Section 2 of the bill authorizes the Administrator of NASA, in his discretion, to increase by 5 percent any of the amounts authorized in section 1 to meet unusual cost variations as costs may vary according to the area where the expenditure is made. However, the total cost of all work shall not exceed the total amount authorized by the bill.

It was with the greatest degree of urgency that Congress passed the bill creating the National Aeronautics and Space Administration. There was the realization that this is a field where rapid progress may very well be necessary to the survival of our great country. Now that our intention has been made clearly known, we must follow with that legislation which is necessary for the effective operation of the new space administration. The total budget for NACA and NASA for fiscal year 1959 is \$343 million. Of this amount, \$101 million was authorized to NACA in the Independent Offices Appropriation Act for 1959. An additional \$117 million is presently in the process of being transferred from the Department of Defense to NASA. The remaining \$125 million of the budget is comprised of new appropriations of which the \$47.8 million now before us is a part. There was a feeling in the committee that additional funds over and above those amounts requested might well be warranted in order to assist in proceeding with the greatest speed to a position of well-recognized leadership in the space field. Certainly, there can be no doubt in the minds of

any of us that the amount requested in the bill before us must be authorized in order to permit adequately financed progress in that phase of the program now under consideration. For these reasons I urge the unanimous passage of H. R. 13619.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield to the gentleman from Iowa.

Mr. GROSS. Is the \$3,750,000 for this space project building a downpayment, or is that the total?

Mr. BROOKS of Louisiana. That is the total amount requested at this time.

Mr. GROSS. At this time?

Mr. BROOKS of Louisiana. Yes. It is not expected that that will be a large facility here. It is expected that it will be a headquarters facility, liaison facility, or so that those having business from all parts of the United States will be able to come here to Washington and, while they are doing business with other departments, be able also to do business with this space center. It is not an elaborate facility. It is going to be built on what is at the present time Government-owned land. It will be a headquarters. That is about what it will be.

Mr. GROSS. The gentleman is not saying that this is the total cost of the building?

Mr. BROOKS of Louisiana. The total cost of the program no one can say, because we are just beginning the program. This is the first step of a program to build ourselves up, put ourselves on the basis that we can successfully compete, in fact do better than compete, with Communist Russia. This is the first step on that program.

Mr. McDONOUGH. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the gentleman from Louisiana has informed the House of the purpose of this authorizing bill, which provides \$47,800,000 for the first step in the organization of the new National Aeronautics and Space Administration. The hearings on this bill reveal some very pertinent things that I think the House should know.

We found that the National Aeronautics and Space Administration, although in its infancy, is already moving in the direction of placing a man into orbit in the nose of a cone shot from a rocket, and returning him safely. This is one of the major projects to which this new administration is devoting itself.

In order to prepare themselves for such an experiment, the expansion of the new location at Wallops Island, about 100 miles south of Washington, D. C., is necessary. That involves the new launching pad, new equipment, new materials for testing whatever biological effects the shooting of a man into space will have on the man, and other things that are necessary in this experimentation.

Mr. Speaker, on July 16, the Congress passed the National Aeronautics and Space Act of 1958, and since that time, the President has signed the act which has become Public Law 85-568. The Congress has acted with dispatch, and overwhelmingly voted to create a strong civilian agency to tackle the problems

of use of outer space. The Congress has understood the urgency of United States progress in the construction of satellites and other space devices if there was to be hope of saving the space around the earth for peaceful purposes. The Congress has also seen the reports of the Select Committee on Astronautics and Space Exploration which have detailed the many benefits which can flow from the use of outer space. These will more than pay for the program over the course of years through savings from better weather prediction and better communications. We expect that other advantages not even foreseen today will develop, if past experience is any guide.

It is our conviction that the Congress also knows that the present Soviet lead in ability to boost loads of instruments and animals into space will not be wiped out overnight or through the mere passage of a bill. We are entering a period of hard work and struggle to make up for lost time, and the existence of a civilian space agency devoted to this task is just the precondition necessary to carrying on the hard work. And while we work, we must be prepared for additional Soviet surprises in the scientific area. For example, testimony before the select committee on August 1 revealed that the United States expects to be able to put a man into orbit within a comparatively short time, if the proper effort is mounted now. The weight of the satellite capsule with the man would be about 2,200 pounds, or less than the 2,900 pound weight of Sputnik III presently in orbit. Much testing and experimentation will be necessary before this can be a reality. Probably the greatest need is to create reliability in our missiles before we try to send a man up. The Soviets also have to prove that they can bring back a capsule with its live passenger before they, too, will have achieved true space transportation.

The first step after creating the National Aeronautics and Space Administration must be to give it the funds necessary to carry out the work assigned to it. We do not know yet how large the ultimate program must be. Meanwhile, there are certain obvious basic facilities which must be provided, and the authorization bill reported by the Select Committee is designed to provide for the facilities essential to carrying on the work of the Space Administration.

Our advance into space will come by steps, with each new accomplishment built upon the knowledge and experience of the previous ones. Scientific results will come first, but the economic payoff, and the defensive knowledge, too, will begin to come within a very few years. As impatient as we may be for visible results, it would be a tragic mistake to skip intervening steps, and trip over our own efforts. For example, our instrumented satellites have discovered a belt of strong radiation in space a few hundred miles above the surface of the earth. With this knowledge, found through exploratory research, we can study how to save the lives of men in future space ships which will pass through this dangerous belt. This is an example of how reckless it would have been, even if we had the necessary boost-











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued August 7, 1958

For actions of August 6, 1958

85th-2d, No. 134

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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HIGHLIGHTS: House rejected farm bill. House passed bill to increase public debt limit. House received conference report on trade agreements extension bill. House Rules Committee reported resolution to agree to Senate amendments to accrued expenditures budgeting bill. House committee ordered reported bill to grant REA Administrator more authority. Sen. Humphrey urged long-term extension of Public Law 480. Sen. Ellender introduced bill to provide revolving fund for USDA loans.

## HOUSE

1. FARM PROGRAM. Voted, 210 to 186, to suspend the rules and pass S. 4071, the farm bill. Since this was not the required two-thirds vote for passage under suspension of the rules, the bill was rejected. p. 15049

Rep. Anderson stated that food prices are increasing and that he has "predicted time and again consumers do not benefit from legislation and administrative action to depress farm commodity prices." p. 15044

Rep. Harvey discussed the farm situation, particularly with regard to feed and livestock, and urged enactment of legislation for increased research on the industrial utilization of farm products. pp. 15085-89

2. ELECTRIFICATION; ORGANIZATION. The Government Operations Committee ordered reported with amendment H. R. 11762, to provide that Sec. I of the Reorganization Plan No. 2 of 1953, giving the Secretary administrative control over all USDA agencies, shall not hereafter apply to REA. p. D305



3. FOREIGN TRADE. Received the conference report on H. R. 12591, to extend the authority of the President to enter into trade agreements (H. Rept. 2502). As reported the bill, among other things, extends the President's authority to enter into trade agreements for 4 years; restores a House provision that action found and reported by the Tariff Commission in an escape-clause proceeding to be necessary to prevent or remedy serious injury is to take effect if approved by the President or, if disapproved by the President, upon the adoption by both Houses of a concurrent resolution stating that the House and Senate approve the action so found and reported by the Tariff Commission to be necessary; and deletes a Senate amendment providing for the establishment of a bipartisan commission, the Commission on International Trade Agreement Policy, to study and recommend improvements in international trade agreement policies. pp. 15083-85-, 15115
4. PUBLIC DEBT. Passed without amendment, 286 to 108, H. R. 13580, to increase the public debt limit to \$285 billion. pp. 15048-49
5. BUDGETING. The Rules Committee reported a resolution to agree to the Senate amendments to H. R. 8002, the accrued expenditures budgeting bill. pp. 15049-50, 15114
6. FRUIT AND NUT IMPORTS. Voted, 136 to 109, to suspend the rules and pass H. R. 11056, to amend the Agricultural Marketing Agreement Act so as to extend restrictions on certain imported citrus fruits, dried fruits, walnuts, and dates. Since this was not the required two-thirds vote for passage under suspension of the rules, the bill was rejected. p. 15050
7. APPROPRIATIONS. Received the conference report on H. R. 12738, the Defense Department appropriation bill for 1959 (H. Rept. 2503). pp. 15081-83
8. MILITARY CONSTRUCTION. Agreed, 256 to 135, to the conference report on H. R. 13015, the military construction authorization bill. pp. 15044-48
9. EDUCATION. The Rules Committee reported a resolution for consideration of H. R. 13247, to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical needs. (pp. 15050, 15114) Rep. Dwyer spoke on the need for enactment of this legislation. (pp. 15106-07)
10. ATOMIC ENERGY. Rep. Holifield criticized the President's statement taking exception to certain provisions of the atomic energy authorization bill, including the development of certain power reactors. pp. 15103-106
11. PERSONNEL. The Government Operations Committee reported without amendment S. 1903, to authorize the payment of transportation expenses for Presidential appointees assigned to duty posts outside the continental U. S. (H. Rept. 2487). p. 15115  
The Ways and Means Committee reported without amendment H. R. 11098, to repeal Section 1505 of the Social Security Act to provide that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws. p. D807
12. PROPERTY. The Government Operations Committee reported without amendment H. R. 13673, to amend the Federal Property and Administrative Services Act to permit donations of surplus property to volunteer fire-fighting organizations (H. Rept. 2494). p. 15115



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Machrowicz  
Mason  
Michel  
Morris  
Moulder  
Neal  
Radwan  
Shuford  
Sleminski  
Smith, Kans.  
Spence

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Friedel for, with Mr. Colmer against.  
Mr. Buckley for, with Mr. Mason against.  
Mr. Eberhart for, with Mr. Moulder against.  
Mr. Machrowicz for, with Mr. Dies against.  
Mr. Kilburn for, with Mr. Burdick against.

Until further notice:

Mr. Bolling with Mr. Adair.  
Mr. Brooks of Louisiana with Mr. Neal.  
Mr. Lesinski with Mr. Jenkins.  
Mr. Carnahan with Mr. Bentley.  
Mr. Christopher with Mr. Hillings.  
Mr. Evins with Mr. Coudert.  
Mr. Loser with Mr. McIntire.  
Mr. Sleminski with Mr. Radwan.  
Mr. Hull with Mr. Smith of Kansas.  
Mr. Gordon with Mr. Michel.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## AGRICULTURAL ACT OF 1958

The SPEAKER. The unfinished business is the suspension of the rules and the passage of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

The Clerk read the title of the bill.

The SPEAKER. The question is on suspending the rules and passing the bill.

Mr. MARTIN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.  
The question was taken and there were—yeas 210, nays 186, not voting 34. as follows:

## [Roll No. 157]

## YEAS—210

Abblitt  
Abernethy  
Albert  
Alexander  
Anderson,  
Mont.  
Andrews  
Anfuso  
Ashmore  
Aspinall  
Avery  
Bailey  
Baker  
Baldwin  
Barden  
Baring  
Barrett  
Bass, Tenn.  
Beckworth  
Belcher  
Bennett, Fla.  
Bennett, Mich.  
Berry  
Blitch  
Boggs  
Bonner  
Boykin  
Boyle  
Bray  
Breeding  
Brooks, Tex.  
Brown, Ga.  
Budge  
Burlison  
Byrd  
Byrne, Pa.  
Celler  
Chelf  
Chenoweth  
Coad  
Coffin  
Cooley  
Cunningham,  
Nebr.  
Davis, Ga.  
Dawson, Ill.  
Dawson, Utah  
Dellay  
Dent  
Denton  
Diggs  
Dingell  
Dixon  
Dollinger  
Donohue  
Dorn, S. C.  
Dowdy  
Doyle  
Durham  
Edmondson  
Elliott  
Engle  
Everett  
Fascell  
Fisher  
Flood  
Flynt  
Forrester  
Fountain  
Frazier  
Gary

Gathings  
George  
Granahan  
Grant  
Gray  
Green, Pa.  
Griffiths  
Gross  
Hagen  
Hale  
Hardy  
Harris  
Harrison, Va.  
Harvey  
Hays, Ark.  
Hays, Ohio  
Healey  
Hebert  
Hemphill  
Hill  
Hoeven  
Holland  
Holmes  
Horan  
Huddleston  
Ikard  
Jarman  
Jennings  
Jensen  
Jonas  
Jones, Ala.  
Jones, Mo.  
Karsten  
Kee  
Keogh  
Kilday  
Kilgore  
Kling  
Kitchin  
Kluczynski  
Knox  
Kruger  
Landrum  
Lane  
LeCompte  
Lennon  
Libonati  
McCormack  
McFall  
McGovern  
McMillan  
Mack, Ill.  
Madden  
Magnuson  
Mahon  
Matthews  
Metcalf  
Miller, Calif.  
Miller, Nebr.  
Mills  
Mitchell  
Montoya  
Morgan  
Morrison  
Moss  
Multer  
Murray  
Natcher  
Nix  
Norrell  
O'Brien, Ill.

O'Hara, Ill.  
O'Hara, Minn.  
O'Neill  
Passman  
Patman  
Perkins  
Pfost  
Phillbin  
Pilcher  
Poage  
Polk  
Porter  
Preston  
Price  
Quie  
Rabaut  
Rains  
Reuss  
Riley  
Rivers  
Roberts  
Robeson, Va.  
Rogers, Colo.  
Rogers, Tex.  
Rooney  
Roosevelt  
Rutherford  
Sadlak  
Santangelo  
Saund  
Scott, N. C.  
Seely-Brown  
Selden  
Shelley  
Sheppard  
Sieminski  
Sikes  
Simpson, Ill.  
Sisk  
Smith, Miss.  
Smith, Va.  
Springer  
Steed  
Sullivan  
Teague, Calif.  
Teague, Tex.  
Teller  
Thomas  
Thompson, La.  
Thompson, Tex.  
Thomson, Wyo.  
Thornberry  
Trimble  
Tuck  
Ullman  
Van Pelt  
Vinson  
Watts  
Weaver  
Whitener  
Whitten  
Wier  
Williams, Miss.  
Willis  
Wilson, Ind.  
Winstead  
Withrow  
Wright  
Young  
Zelenko

## NAYS—186

Addonizio  
Alger  
Allen, Calif.  
Allen, Ill.  
Andersen,  
H. Carl  
Arends  
Ashley  
Auchincloss  
Ayres  
Bass, N. H.  
Bates  
Baumhart  
Beamer  
Becker  
Betts  
Blatnik  
Boland  
Bolton  
Bosch  
Bow  
Broomfield  
Brown, Mo.  
Brown, Ohio  
Brownson  
Broyhill

Bush  
Byrne, Ill.  
Byrnes, Wis.  
Canfield  
Cannon  
Carrigg  
Cederberg  
Chamberlain  
Chipherfield  
Church  
Clark  
Clevenger  
Collier  
Corbett  
Coudert  
Cramer  
Cretella  
Cunningham,  
Iowa  
Curtin  
Curtis, Mass.  
Curtis, Mo.  
Dague  
Delaney  
Dennison  
Derronian

Devereux  
Dooley  
Dorn, N. Y.  
Dwyer  
Fallon  
Farbstein  
Feighan  
Fenton  
Fino  
Fogarty  
Forand  
Ford  
Frelinghuysen  
Fulton  
Garmatz  
Gavin  
Glenn  
Green, Oreg.  
Griffin  
Gubser  
Gwinn  
Haley  
Halleck  
Harden  
Harrison, Nebr.  
Haskell

Henderson  
Herlong  
Heseltun  
Hess  
Hiestand  
Hoffman  
Hollfield  
Holt  
Holtzman  
Hosmer  
Hyde  
Jackson  
James  
Johansen  
Johnson  
Judd  
Kean  
Kearney  
Kearns  
Keating  
Kelly, N. Y.  
Knutson  
Lafore  
Laird  
Lankford  
Latham  
Lipscomb  
McCarthy  
McCulloch  
McDonough  
McGregor  
McIntosh  
McVey  
Macdonald  
Mack, Wash.  
Maillard  
Marshall

Martin  
May  
Meador  
Merrow  
Miller, Md.  
Miller, N. Y.  
Minshall  
Moore  
Morano,  
Mumma  
Nicholson  
Nimtz  
Norblad  
O'Brien, N. Y.  
O'Konski  
Osmer  
Ostertag  
Patterson  
Pelly  
Pillion  
Poff  
Powell  
Prouty  
Ray  
Reece, Tenn.  
Reed  
Rees, Kans.  
Rhodes, Ariz.  
Rhodes, Pa.  
Riehlman  
Robison, N. Y.  
Robison, Ky.  
Rodino  
Rogers, Fla.  
Rogers, Mass.  
St. George  
Saylor

Schenck  
Scherer  
Schwengel  
Scott, Pa.  
Scrivner  
Scudder  
Sheehan  
Siler  
Simpson, Pa.  
Smith, Calif.  
Staggers  
Stauffer  
Taber  
Talle  
Taylor  
Tewes  
Thompson, N. J.  
Tollefson  
Udall  
Utt  
Vanik  
Van Zandt  
Vorys  
Vursell  
Wainwright  
Walter  
Westland  
Wharton  
Widnall  
Wigglesworth  
Williams, N. Y.  
Wilson, Calif.  
Wolverton  
Yates  
Younger  
Zablocki

## NOT VOTING—34

Adair  
Bentley  
Bolling  
Brooks, La.  
Buckley  
Burdick  
Carnahan  
Christopher  
Colmer  
Davis, Tenn.  
Dies  
Eberhart

Evins  
Friedel  
Gordon  
Gregory  
Hillings  
Hull  
Jenkins  
Kilburn  
Kirwan  
Lesinski  
Loser  
McIntire

Machrowicz  
Mason  
Michel  
Morris  
Moulder  
Neal  
Radwan  
Shuford  
Smith, Kans.  
Spence

So, two-thirds not having voted in favor thereof, the motion to suspend the rules and pass the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Moulder and Mr. Buckley for, with Mr. Hull against.  
Mr. Eberhart and Mr. Machrowicz for, with Mr. Radwan against.  
Mr. Bentley and Mr. Colmer for, with Mr. Mason against.  
Mr. Brooks of Louisiana and Loser for, with Mr. Friedel against.  
Mr. Lesinski and Mr. Morris for, with Mr. Kilburn against.  
Mr. Evins and Mr. Burdick for, with Mr. Hillings against.  
Mr. McIntire and Mr. Gordon for, with Mr. Jenkins against.

Until further notice:

Mr. Bolling with Mr. Adair.  
Mr. Carnahan with Mr. Neal.  
Mr. Christopher with Mr. Smith of Kansas.  
Mr. Dies with Mr. Michel.

Mrs. ROGERS of Massachusetts changed her vote from "yea" to "nay."

Mr. DELAY changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

# PROVIDING IMPROVED METHODS OF STATING BUDGET ESTIMATES AND ESTIMATES FOR DEFICIENCY AND SUPPLEMENTAL APPROPRIATIONS

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 674, Rept. No. 2480), which was referred to the House Calendar and ordered to be printed:



*Resolved*, That immediately upon the adoption of this resolution, the bill (H. R. 8002), with the Senate amendments thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendments be, and the same are hereby, agreed to.

#### QUALITY REGULATION OF IMPORTED AGRICULTURAL COMMODITIES

The SPEAKER. The unfinished business is the question on the motion to suspend the rules and pass the bill (H. R. 11056) to amend section 3e of the Agricultural Adjustment Act, of 1933, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken, and the Chair being in doubt, on a division there were—ayes 136, noes 109.

So (two-thirds not having voted in favor thereof) the motion was rejected.

#### STRENGTHENING THE NATIONAL DEFENSE

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 675, Rept. No. 2480), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of (H. R. 13247) to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical national needs; and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### CONTESTED ELECTION CASE OF JAMES C. OLIVER AGAINST ROBERT HALE, FIRST CONGRESSIONAL DISTRICT, MAINE

Mr. ASHMORE, from the Committee on House Administration, reported the following privileged resolution (H. Res. 676, Rept. No. 2482), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That Robert Hale was duly elected as Representative from the First Congressional District of the State of Maine in the 85th Congress and is entitled to his seat.

#### WELFARE AND PENSION PLANS DISCLOSURE ACT

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 657 and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 13507) to provide for reporting and disclosure of employee welfare and pension benefit plans. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

(Mr. MADDEN asked and was given permission to revise and extend his remarks.)

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. LATHAM] and yield myself such time as I may use.

The SPEAKER. The gentleman from Indiana is recognized.

Mr. MADDEN. Mr. Speaker, the pending Resolution 657 calls up for consideration H. R. 13507 which provides for reporting and disclosure of employee welfare and pension benefits plans. The resolution provides for an open rule and 2 hours general debate.

I wish to commend the chairman and members of the Education and Labor Committee for reporting this legislation so that it can be considered by the House during this session of Congress. Unfortunately, a relatively small number of so-called labor leaders have been either negligent or dishonest with their membership by dissipating, misappropriating, or through unsound investments jeopardize the funds which are established for the purpose of protecting the future welfare and security of their organization's membership.

The objective of this bill is to guarantee the participants and their beneficiaries of the millions of workers and their families who have a partial interest in ownership in moneys of this nature. It is estimated that almost 80 million persons are relying on private benefit plans and approximately \$30 billion is invested therein. The subcommittee and the full Committee on Education and Labor has given considerable thought and study to this important problem for several years. The committee believes that periodical filing of sworn affidavits concerning the amounts, investments, and all essential facts concerning welfare funds will serve as a preventive against dishonesty and misappropriations of these funds by the administrators charged with their care. The participants and beneficiaries of these funds, if they are familiar and acquainted with the true status of the administration thereof will be sufficient protection to keep these funds intact and solvent for the purposes for which they are originally intended.

This bill will place the least possible burden by way of cost and operation

upon the Nation's taxpayer in general. This bill does not provide punitive regulations but the committee after long study feels that exposure of facts and reporting statistics on pension funds will be a practical method of enforcement. Each State and local community through the Attorney General and county prosecutors can prosecute for any misappropriation or criminal violations because of dishonest administrators who are responsible to employees for the care and custody of welfare and pension funds.

The bill also provides that the description, facts, and data of any employee welfare or pension benefits plan shall be published within 90 days of the effective date of this act or within 90 days after the establishment of such plan whichever is later. The bill also provides that the pension welfare operations plans shall be published, signed and sworn to by the person or the persons defined as the administrator and also includes names and addresses of all persons directly or indirectly connected with the administration of these funds. In addition, the bill outlines all other facts and essential information to which the membership of these various pension plans are entitled to know.

Judging from the exposures revealed from congressional investigations, corruption, dishonesty, and deceit in the operation of welfare and pension funds was committed because the vast membership had no knowledge or method of securing information regarding the true facts, status, and operations connected with the administration of these vast sums of moneys entrusted to officers of certain unions. No doubt, it will be contended by certain Members during this debate that additional restrictive and regulatory legislation should be enacted at this time involving exposures from congressional committees investigations of labor management relations. It is not the purpose of this bill to go into the extended scope of all labor management relations because of the weeks and months of hearings and other preparations involved in this long and complex undertaking. I do hope that the Members debate this legislation with sincerity and commonsense. As a former member of the Labor and Education Committee 10 years ago I was sorry at that time to hear Members denounce organized labor in general terms and we have regretted some of our mistakes on numerous occasions since the Taft-Hartley law was enacted. We have had unfortunate bitterness, strikes, and labor difficulties since that law was passed. I hope the Members remember that Communist agitators seek first to control labor and second, our schools. With the exception of a few out of approximately 50,000 labor officials we can thank labor leaders in America for defeating Communist infiltration into American labor. I do think this Congress before adjournment should favorably enact the pending legislation so that working men and women throughout the Nation can have the mental satisfaction to know the future security for them and their families will be guaranteed by the enacting of legislation which will prevent any dis-











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued August 15, 1958  
For actions of August 14, 1958  
85th-2d, No. 140

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HIGHLIGHTS: House <sup>passed</sup>/modified farm bill. House concurred in Senate amendments to accrued-expenditures budgeting bill. House committee ordered reported bill to require State contributions to disaster relief. Senate debated supplemental appropriation bill. Both Houses agreed to conference report on Klamath Indian forest bill. Both Houses passed bills to extend Mexican farm labor program. President issued statement (Aug. 12) interpreting new law on withholding information.



## HOUSE

1. FARM PROGRAM. Passed a substitute version of S. 4071, the proposed "Agricultural Act of 1958." pp. 16059-72 (At the end of this Digest is Chairman Cooley's explanation of the changes in the bill.)  
Rep. Polk inserted the so-called "Simmermon Farm Plan." pp. 16103-7
2. BUDGETING. Agreed to the Senate amendments to H. R. 8002, to provide for accrued-expenditure budgeting. This bill will now be sent to the President. pp. 16077-84
3. FARM LABOR. Passed as reported H. R. 10360, to continue the Mexican farm labor program for 2 years until June 30, 1961. Rejected an amendment by Rep. Christopher to continue the program for only 1 year and to make it unavailable to any employer who does not comply with applicable crop-reduction and allotment programs. pp. 16085-94
4. FORESTRY. Agreed to the conference report on S. 3051, to amend the act terminating Federal supervision over the Klamath Indian Tribe by providing in the alternative for private or Federal acquisition of the part of the tribal forest that must be sold. p. 16076  
The Agriculture Committee ordered reported S. 3741, to provide regular national forest status to most lands under the jurisdiction of the Forest Service. p. D853
5. DISASTER RELIEF. The Agriculture Committee ordered reported S. 304 (amended), to require contributions by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas. p. D853
6. CROP INSURANCE. The Agriculture Committee ordered reported H. R. 13262 (amended), to eliminate the prohibition against crop insurance being made available to certain counties which do not have wide participation in the program. p. D853
7. RESEARCH. The Interstate and Foreign Commerce Committee ordered reported H. R. 11257 (amended), to make various amendments regarding administration of the National Science Foundation. p. D854  
House conferees were appointed on S. J. Res. 135, providing for construction by the Interior Department of demonstration plants for conversion of salt water to fresh water. p. 16084
8. TRAVEL; TRANSPORTATION. Concurred in the Senate amendments to H. R. 11133, which authorizes payment of travel and moving expenses of prospective non-clerical employees reporting to their first-duty station for employment in positions determined to be in shortage categories on the same basis as payments to regular civilian employees upon transfer of official station or on original appointment to an overseas post of duty, with a provision that the new authority shall be effective for only 2 years. The Senate had eliminated a provision for such benefits in the case of prospective employees who are called in for interviews. In this connection the Senate committee stated that the Civil Service Commission would be requested to submit to the Government Operations Committees, during the next Congress, a report on the operations of this bill, with further recommendations for amendment if desirable. The bill will now be sent to the President. pp. 16076-7
9. TAXES. Agreed to the conference report on H. R. 7125, and received the conference report on H. R. 8381, to make technical tax-law changes. pp. 16072-6, 16110-22
10. LEGISLATIVE PROGRAM. Rep. McCormack said the area development bill will be considered today, Aug. 15. pp. 16102-3



Supplement to Item 1

"The amendment I have just offered differs slightly from the amendment I offered last week when a motion was made to suspend the rule and pass the Senate bill with an amendment. We made several clarifying amendments to the original amendment which was offered last week, and we have made changes in three sections--the cotton section, the corn section, and the section providing price supports for tung oil. We have agreed to lower the price support on tung oil from 70 percent of parity, which was in the amendment offered last week, to 65 percent of parity. The Senate bill provides a price support floor of \$1.10 a bushel for corn while the amendment we offered last week provided a price support floor for corn at \$1.18 a bushel. We have changed the amendment so as to strike out the \$1.18 a bushel as a price support floor for corn and in the pending amendment, we permit the floor to go as low as 65 percent of parity which is the equivalent of about \$1.14 a bushel.

"In the cotton section of the amendment I offered last week, the price support floor for cotton was fixed at 30 cents a pound based upon the average of the crop rather than upon the basis of 1-inch Middling as provided in the Senate bill or upon 7/8-inch Middling as is used in present parity calculations for price supports. In the pending amendment the 30 cents a pound provision has been deleted and the amendment now provides that cotton under the A program will be supported in 1959 at not less than 80 percent of parity; in 1960, at not less than 75 percent of parity; in 1961, at not less than 70 percent of parity; and in 1962, at not less than 65 percent of parity. So instead of having 30 cents a pound as a floor in 1962, the floor will be fixed at not less than 65 percent of parity.

"These are the three changes which we have made."

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COMMITTEE HEARINGS ANNOUNCEMENTS:

Aug. 15: House version of farm bill, full S. Agriculture (exec) (McLain to testify, accompanied by Rhodes, CSS).

Increase in public debt limit, S. Finance (Secretary Anderson and Stans, BB, to testify).

Fryingpan-Arkansas reclamation project and minerals stabilization payments, H. Rules.

oOo



EXCERPTS FROM THE SENATE COMMITTEE REPORT ON THE  
SUPPLEMENTAL APPROPRIATION BILL, 1959

Plant and Animal Disease and Pest Control

"\* \* \* The committee also recommends an appropriation of \$1 million for Federal cost of eradication of the pink bollworm. The Department advises the committee that this additional amount could be required to eradicate this pest from new areas of infestation which are now under survey. The committee has inserted language in the bill to place this amount in the contingency fund, which fund can be used only for prompt eradication of new pests or to meet unforeseen emergencies such as this current outbreak of the pink bollworm."

County ASC Committees

"The committee has received a number of inquiries regarding an adjustment in salaries for county ASC employees comparable to pay increases recently granted to civil-service employees of the Commodity Stabilization Service.

"In fiscal 1957 the Congress approved increases in administrative expense limitations for salary increases for county employees, to carry out a 3-year pay-adjustment program proposed by the Commodity Stabilization Service, to improve salaries and qualification standards. The adjustments made in salaries result in an average increase of 15 percent for all types of county office employees.

"The authority to set and adjust rates of compensation for county committee employees is vested in the Secretary of Agriculture. The committee believes that significant savings can be made in simplifying administrative and procedural requirements currently required of county committees which would enable the Secretary of Agriculture to authorize further salary adjustments within funds provided in this bill and previously authorized in the regular act.

"The committee expects to examine thoroughly this situation with regard to county committee employees in its consideration of next year's budgetary proposals from the Department of Agriculture."

-----  
Increase in Government Personnel

"The committee, already deeply concerned by the projected budget deficit for fiscal year 1959 and the necessity of raising the debt limit, is further disturbed by the latest report of the Joint Committee on Reduction of Nonessential Federal Expenditures, which shows a Federal civilian personnel increase of 32,832 for the month of June. Granted that this is partially seasonal, nevertheless that is the largest increase of any month since June 1952.

"The committee is keenly aware that in the representations made by the various departments and agencies in connection with the granted pay raise, it was repeatedly emphasized that the increased pay would mean fewer employees. This result would obtain, Congress was informed, through increased efficiency and incentive. This explanation was received in good faith.





# Congressional Record

United States  
of America

PROCEEDINGS AND DEBATES OF THE 85<sup>th</sup> CONGRESS, SECOND SESSION

Vol. 104

WASHINGTON, THURSDAY, AUGUST 14, 1958

No. 140

## House of Representatives

The House met at 12 o'clock noon.  
The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

*I Thessalonians 3: 12: The Lord make you to increase and abound in love one toward another, and toward all men.*

Almighty God, we are again coming unto Thee in prayer, compelled by our many needs and constrained by Thy divine love.

We earnestly beseech Thee to bless the representatives of the united and freedom-loving nations as they take counsel together.

Inspire them with the assurance that the Prince of Peace is with them as they continue to affirm and champion courageously whatsoever things are just and true.

Grant that feelings of friendship and fraternity may permeate and become more potent in the thoughts and aspirations of all the members of the human family.

Hear us in Christ's name. Amen.

### THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 13247. An act to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical national needs; and for other purposes.

The message also announced that the Senate disagrees to the amendments of the House to the joint resolution (S. J. Res. 135) entitled "Joint resolution providing for the construction by the Department of the Interior of demonstration plants for the production, from saline or brackish waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive

uses," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MURRAY, Mr. ANDERSON, and Mr. KUCHEL to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1798) entitled "An act to amend section 4426 of the Revised Statutes, as amended, with respect to certain small vessels operated by cooperatives or associations in transporting merchandise of members on a nonprofit basis to or from places within the inland waters of southeastern Alaska and Prince Rupert, British Columbia, or to or from places within said inland waters and places within the inland waters of the State of Washington."

### CORRECTION OF RECORD

Mr. MATTHEWS. Mr. Speaker, I ask unanimous consent that the permanent RECORD be changed to make the following corrections of errors that appeared in the talk I made on the floor of the House and which is recorded on page 15338 of the August 8, 1958, issue of the RECORD.

In paragraph 3 of this talk on page 15338, "s" should be added to the word "reason."

Paragraphs 5, 6, and 7 should be eliminated entirely. These paragraphs begin with the words "The lag is in training," paragraph 5, and end with the words "space scholars" in paragraph 7.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

### CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 168]

|                 |            |                 |
|-----------------|------------|-----------------|
| Allen, Calif.   | Diggs      | Miller, N. Y.   |
| Anderson, Mont. | Dyckham    | Pillion         |
| Barrett         | Eberharter | Powell          |
| Baumhart        | Engle      | Prouty          |
| Bentley         | Friedel    | Radwan          |
| Blitch          | Gordon     | Scherer         |
| Boykin          | Gray       | Shuford         |
| Brooks, La.     | Gregory    | Smith, Kans.    |
| Brownson        | Hébert     | Smith, Va.      |
| Buckley         | Hillings   | Spence          |
| Burdick         | Kearney    | Teague, Tex.    |
| Clark           | Kilburn    | Williams, Miss. |
| Collier         | McCarthy   | Willis          |
| Dawson, Utah    | McIntire   | Winstead        |
| Dellay          | Machrowicz | Wolverton       |
| Dies            | Mason      |                 |
|                 | Michel     |                 |

The SPEAKER. On this rollcall 377 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

### AGRICULTURAL BILL OF 1958

Mr. COOLEY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities, as amended.

The Clerk read as follows:

*Be it enacted, etc., That this act may be cited as the "Agricultural Act of 1958."*

#### TITLE I—COTTON

##### Program for 1959 and 1960

SEC. 101. The Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 102. Notwithstanding any other provisions of law—

"(a) for each of the 1959 and 1960 crops of upland cotton the Secretary of Agriculture is authorized and directed to offer the operator of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, a choice of (A) the farm-acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, and price support determined pursuant to section 101 of this act (the amount of cotton estimated to be produced on the additional acres allotted to producers selecting choice (B) for such year being taken into account in computing such support), except that for



the 1959 crop the level of support shall be not less than 80 percent of parity, or (B) the farm-acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, increased by not to exceed 40 percent (such increased acreage allotment to be the acreage allotment for the farm for all purposes) and price support at a level which is 15 percent of parity below the level of support established for producers who elect choice (A). Any person operating more than one farm, in order to be eligible for choice (B), must elect choice (B) for all farms for which he is operator. Not later than January 31 the Secretary shall determine and announce on the basis of his estimate of the supply percentage and the parity price as of the following August 1, the price support level for producers who elect choice (A) and choice (B), respectively, and such price-support levels shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative levels of price support and the alternative acreage allotment available for his farm. The operator of each farm shall, within the time prescribed by the Secretary, notify the county committee in writing whether he desires the increased acreage allotment and the level of price support prescribed in choice (B) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have chosen the acreage allotment and the price-support level prescribed in choice (A). The choice elected by the operator shall apply to all the producers on the farm. Notwithstanding the foregoing provisions of this subsection, the Secretary may permit the operator of a farm for which choice (B) is in effect to change to choice (A) where conditions beyond the control of the farm operator, such as excessive rain, flood, or drought, prevented the planting of acreage to cotton or having cotton acreage available for harvest on the farm in accordance with the plans of such operator in selecting choice (B). The additional acreage required to be allotted to farms under this section shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm-acreage allotments. Notwithstanding any other provision of law, no farm participating in any cotton acreage-reserve program established for 1959 under the Soil Bank Act shall receive an increased acreage allotment under the provisions of this section for 1959. Notwithstanding the provisions of section 344 (m) (2) any farm cotton-acreage allotment increased as the result of the selection of choice (B) may not be released and reapportioned to any other farm. Price support shall be made available under this paragraph only to cooperators and only if producers have not disapproved marketing quotas for the crop.

"(b) for each of the 1959 and 1960 crops of upland cotton, price support shall be made available to producers who elect choice (A) through a purchase program. Price support shall be made available to producers who elect choice (B) through loans, purchases, or other operations.

"(c) the Commodity Credit Corporation is directed, during the period beginning August 1, 1959, and ending July 31, 1961, to offer any upland cotton owned by it for sale for unrestricted use at not less than 10 percent above the current level of price support prescribed in choice (B).

#### Price support for 1961 and subsequent years

SEC. 102. (a) The Agricultural Act of 1949, as amended, is amended by adding a new section 103 as follows:

"SEC. 103. Notwithstanding the provisions of section 101 of this act, price support to cooperators for each crop of upland cotton, beginning with the 1961 crop, for which producers have not disapproved marketing quotas shall be at such level not more than 90 percent of the parity price therefor, or less than the minimum level prescribed below as the Secretary determines appropriate after consideration of the factors specified in section 401 (b) of this act. For the 1961 crop the minimum level shall be 70 percent of the parity price therefor, and for each subsequent crop the minimum level shall be 65 percent of the parity price therefor. Price support in the case of noncooperators and in case marketing quotas are disapproved shall be as provided in section 101 (d) (3) and (5)."

#### Acreage allotments and marketing quotas

SEC. 103. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 342 is amended by striking out the third sentence and by changing the period at the end of the second sentence to a colon and adding the following: "Provided, That beginning with the 1961 crop, the national marketing quota shall be not less than a number of bales equal to the estimated domestic consumption and estimated exports (less estimated imports) for the marketing year for which the quota is proclaimed, except that the Secretary shall make such adjustment in the amount of such quota as he determines necessary after taking into consideration the estimated stocks of cotton in the United States (including the qualities of such stocks) and stocks in foreign countries which would be available for the marketing year for which the quota is being proclaimed if no adjustment of such quota is made hereunder, to assure the maintenance of adequate but not excessive stocks in the United States to provide a continuous and stable supply of the different qualities of cotton needed in the United States and in foreign cotton consuming countries, and for purposes of national security; but the Secretary, in making such adjustments, may not reduce the national marketing quota for any year below (i) 1 million bales less than the estimated domestic consumption and estimated exports for the marketing year for which such quota is being proclaimed, or (ii) 10 million bales, whichever is larger."

(2) Section 342 is further amended by adding at the end thereof the following: "Notwithstanding any other provision of this act, the national marketing quota for upland cotton for 1959 and subsequent years shall be not less than the number of bales required to provide a national acreage allotment for each such year of 16 million acres."

(3) Section 347 (b) is amended by changing the period at the end of the second sentence to a colon and adding the following: "Provided, That beginning with the 1961 crop of extra long staple cotton, such national marketing quota shall be an amount equal to (1) the estimated domestic consumption plus exports for the marketing year which begins in the next calendar year, less (2) the estimated imports, plus (3) such additional number of bales, if any, as the Secretary determines is necessary to assure adequate working stocks in trade channels until cotton from the next crop becomes readily available without resort to Commodity Credit Corporation stocks."

(4) The second sentence of section 344 (a) is amended by striking the word "five" and substituting the word "four."

#### Minimum farm allotments

SEC. 104. (a) Section 344 (b) of the Agricultural Adjustment Act of 1938, as amend-

ed, is amended by inserting before the period at the end thereof a colon and the following: "Provided, That there is hereby established a national acreage reserve consisting of 310,000 acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be 1,000 acres). For the 1960 and succeeding crops of cotton, the needs of States (other than Nevada) for such additional acreage for such purpose may be estimated by the Secretary, after taking into consideration such needs as determined or estimated for the preceding crop of cotton and the size of the national acreage allotment for such crop. The additional acreage so apportioned to the State shall be apportioned to the counties on the basis of the needs of the counties for such additional acreage for such purpose, and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 percent of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing provisions and under the last proviso in subsection (e) shall be determined or estimated as though allotments were first computed without regard to subsection (f) (1)."

(b) Section 344 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "Provided further, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined or estimated by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved under this subsection shall not be less than the smaller of (1) the remaining acreage so determined or estimated to be required for establishing minimum farm allotments or (2) 3 percent of the State acreage allotment; and the acreage which is required to be reserved under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 percent of the county allotment determined without regard to such additional acreages)."

(c) Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing paragraph (1) to read as follows:

"(1) Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) 10 acres; or (B) the acreage allotment established for the farm for the 1958 crop."

(d) The first sentence of section 344 (f) (6) of such act is amended to read as follows: "Notwithstanding the provisions of paragraph (2) of this subsection, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the remainder of the county acreage allotment (after making allotments



as provided in paragraph (1) of this subsection) shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the 3 years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such 3-year period: *Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 percent of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 percent limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein."

(e) The amendments made by this section shall be effective beginning with the 1959 crop.

SEC. 105. Effective beginning with the 1959 crop, section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph:

"(7) (A) In the event that any farm acreage allotment is less than that prescribed by paragraph (1), such acreage allotment shall be increased to the acreage prescribed by paragraph (1). The additional acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota.

"(B) Notwithstanding any other provision of law—

"(i) the acreage by which any farm acreage allotment for 1959 or any subsequent crop established under paragraph (1) exceeds the acreage which would have been allotted to such farm if its allotment had been computed on the basis of the same percentage factor applied to other farms in the county under paragraph (2), (6), or (8) shall not be taken into account in establishing the acreage allotment for such farm for any crop for which acreage is allotted to such farm under paragraph (2), (6), or (8); and acreage shall be allotted under paragraph (2), (6), or (8) to farms which did not receive 1958 crop allotments in excess of 10 acres if and only if the Secretary determines (after considering the allotments to other farms in the county for such crop compared with their 1958 allotments and other relevant factors) that equity and justice require the allotment of additional acreage to such farm under paragraph (2), (6), or (8).

"(ii) the acreage by which any county acreage allotment for 1959 or any subsequent crop is increased from the national or State reserve on the basis of its needs for additional acreage for establishing minimum farm allotments shall not be taken into account in establishing future county acreage allotments, and

"(iii) the additional acreage allotted pursuant to subparagraph (A) of this paragraph (7) shall not be taken into account in establishing future State, county, or farm acreage allotments."

#### *Method of determining farm allotments*

SEC. 106. Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph:

"(8) Notwithstanding the foregoing provisions of paragraphs (2) and (6) of this subsection, the Secretary may, if he determines that such action will facilitate the effective administration of the provisions of the act, provide for the county acreage allotment for the 1959 and succeeding crops of cotton, less the acreage reserved under paragraph (3) of this subsection, to be apportioned to farms on which cotton has been planted in any one of the 3 years immediately preceding the year for which such allotment is determined, on the basis of the farm acreage allotment for the year immediately preceding the year for which such apportionment is made, adjusted as may be necessary (i) for any change in the acreage of cropland available for the production of cotton, or (ii) to meet the requirements of any provision (other than those contained in paragraphs (2) and (6)) with respect to the counting of acreage for history purposes."

#### *Retention of surrendered acreage in county*

SEC. 107. Paragraph (2) of section 344 (m) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end of the second sentence of such paragraph and inserting in lieu thereof the following: "; but no such acreage shall be surrendered to the State committee so long as any farmer receiving a cotton acreage allotment in such county desires additional cotton acreage."

#### *Standard grade*

SEC. 108. Section 3 (a) of the act of August 29, 1949, Public Law 272, 81st Congress, and the last sentence of section 403 of the Agricultural Act of 1949, as amended, are hereby repealed. This section shall become effective with the 1961 crop.

#### *CCC sales restrictions*

SEC. 109. Section 407 of the Agricultural Act of 1949, as amended, is amended by substituting a colon for the period at the end of the third sentence and adding at the end thereof the following: "*Provided*, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 percent above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended."

#### *Cotton export program*

SEC. 110. Nothing in this act shall be construed to affect or modify the provisions of section 203 of the Agricultural Act of 1956, and any cotton owned or acquired by the Commodity Credit Corporation under any price-support program may be used for the purpose of carrying out the cotton export program provided for in section 203 of the Agricultural Act of 1956.

#### *Split grades*

SEC. 111. Section 403 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following sentence: "Beginning with the 1959 crop, in adjusting the support price for cotton on the basis of grade, the Secretary shall establish separate price support rate for split grades and for full grades substantially reflecting relative values."

#### TITLE II—CORN AND FEED GRAINS

##### *Referendum*

SEC. 201. Title I of the Agricultural Act of 1949, as amended, is further amended

by adding at the end of such title the following:

"SEC. 104. (a) Not later than December 15, 1958, the Secretary shall conduct a referendum of producers of corn in 1958 in the commercial corn-producing area for 1958 to determine whether such producers favor a price-support program as provided in subsection (b) of this section for the 1959 and subsequent crops in lieu of acreage allotments as provided in the Agricultural Adjustment Act of 1938, as amended, and price support as provided in section 101 of the Agricultural Act of 1949, as amended.

"(b) Notwithstanding any other provision of law, if less than a majority of the producers voting in the referendum conducted pursuant to subsection (a) hereof favor a price-support program as provided in this subsection (b), the following provisions of law shall become inoperative:

#### *"Discontinuance of acreage allotments on corn"*

"(1) The Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new section:

"SEC. 330. Notwithstanding any other provision of law, acreage allotments and a commercial corn-producing area shall not be established for the 1959 and subsequent crops of corn."

#### *"Price support"*

"(2) The Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 105. (a) Notwithstanding the provisions of section 101 of this act, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 percent of the average price received by farmers during the 3 calendar years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect on such price of any abnormal quantities of low-grade corn marketed during any of such year: *Provided*, That the level of price support for any crop of corn shall not be less than 65 percent of the parity price therefor.

"(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401 (b) hereof."

"(3) Section 101 (d) (4) of the Agricultural Act of 1949, as amended, is repealed effective with the 1959 crop."

#### TITLE III—RICE

##### *Minimum National and State acreage allotments*

SEC. 301. Section 353 (c) (6) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "1957 and 1958" in each place it occurs therein, and inserting "1957 and subsequent years."

##### *Price support*

SEC. 302. (a) Section 101 (a) of the Agricultural Act of 1949, as amended, is amended, effective beginning with the 1959 crop—

(1) by striking out "wheat, and rice" and inserting "and wheat"; and

(2) by adding at the end thereof the following new paragraph: "For rice of the 1959 and 1960 crops, the level of support shall be not less than 75 percent of the parity price. For rice of the 1961 crop the level of support shall be not less than 70 percent of the parity price. For the 1962 and subsequent crops of rice the level of support shall be not less than 65 percent of the parity price."



## TITLE IV—WOOL

SEC. 401. Section 703 of the National Wool Act of 1954 (68 Stat. 910) is amended by striking out "March 31, 1959" and inserting in lieu thereof "March 31, 1962."

SEC. 402. The first proviso in section 704 of such act (68 Stat. 911) is amended by striking out "specific" the first time it appears therein, and by striking out "(whether or not such specific duties are parts of compound rates)."

SEC. 403. The proviso in section 705 of such act (68 Stat. 911) is amended by striking out "specific" the first time it appears therein, and by striking out "(whether or not such specific duties are parts of compound rates)."

## TITLE V—MISCELLANEOUS

SEC. 501. The Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 377 the following new section:

"SEC. 378. (a) Notwithstanding any other provision of this act, the allotment determined for any commodity for any land from which the owner is displaced because of acquisition of the land for any purpose, other than for the continued production of allotted crops, by any Federal, State, or other agency having the right of eminent domain shall be placed in an allotment pool and shall be available only for use in providing allotments for other farms owned by the owner so displaced. Upon application to the county committee, within 3 years after the date of such displacement, or 3 years after the enactment of this section, whichever period is longer, any owner so displaced shall be entitled to have established for other farms owned by him allotments which are comparable with allotments determined for other farms in the same area which are similar except for the past acreage of the commodity, taking into consideration the land, labor, and equipment available for the production of the commodity, crop-rotation practices, and the soil and other physical factors affecting the production of the commodity: *Provided*, That the acreage used to establish or increase the allotments for such farms shall be transferred from the pool and shall not exceed the allotment most recently established for the farm acquired from the applicant and placed in the pool. During the period of eligibility for the making of allotments under this section for a displaced owner, acreage allotments for the farm from which the owner was so displaced shall be established in accordance with the procedure applicable to other farms, and such allotments shall be considered to have been fully planted. After such allotment is made under this section, the proportionate part, or all, as the case may be, of the past acreage used in establishing the allotment most recently placed in the pool for the farm from which the owner was so displaced shall be transferred to and considered for the purposes of future State, county, and farm acreage allotments to have been planted on the farm to which allotment is made under this section. Except where paragraph (c) requires the transfer of allotment to another portion of the same farm, for the purpose of this section (1) that part of any farm from which the owner is so displaced and that part from which he is not so displaced shall be considered as separate farms; and (2) an owner who voluntarily relinquishes possession of the land subsequent to its acquisition by an agency having the right of eminent domain shall be considered as having been displaced because of such acquisition.

"(b) The provisions of this section shall not be applicable if (1) there is any marketing quota penalty due with respect to the marketing of the commodity from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (2) any of the commodity produced on such farm has not been accounted for as required by the Secretary; or (3) the allotment next estab-

lished for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of the commodity produced on or marketed from such farm or due to a false acreage report.

"(c) This section shall not be applicable, in the case of cotton, tobacco, and peanuts, to any farm from which the owner was displaced prior to 1950, in the case of wheat and corn, to any farm from which the owner was displaced prior to 1954, and in the case of rice, to any farm from which the owner was displaced prior to 1955. In any case where the cropland acquired for nonfarming purposes from an owner by an agency having the right of eminent domain represents less than 15 percent of the total cropland on the farm, the allotment attributable to that portion of the farm so acquired shall be transferred to that portion of the farm not so acquired.

"(d) Sections 313 (h), 334 (d), 344 (h), 353 (f), and 358 (h) of the Agricultural Adjustment Act of 1938, as amended, are repealed, but any transfer or reassignment of allotment heretofore made under the provisions of these sections shall remain in effect, and any displaced farm owner for whom an allotment has been established under such repealed sections shall not be eligible for additional allotment under subsection (a) of this section because of such displacement."

SEC. 502. Section 405 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "There is authorized to be included in the terms and conditions of such nonrecourse loan a provision whereby on and after the maturity of the loan or any extension thereof Commodity Credit Corporation shall have the right to acquire title to the unredeemed collateral without obligation to pay for any market value which such collateral may have in excess of the loan indebtedness."

SEC. 503. Section 201 (b) of the Agricultural Act of 1949, as amended, is amended by changing the semicolon at the end thereof to a colon and adding the following: "*Provided*, That in any crop year in which the Secretary determines that the domestic production of tung oil will be less than the anticipated domestic demand for such oil, the price of tung nuts shall be supported at not less than 65 percent of the parity price therefor."

*Extend veterans and armed services milk program*

SEC. 504. (a) The first sentence of section 202 (a) of the Agricultural Act of 1949, as amended (7 U. S. C. 1446a), is amended by striking out "1958" and inserting in lieu thereof "1961."

(b) Subsection (b) of section 202 of the Agricultural Act of 1949 (7 U. S. C. 1446a) is amended by striking out "1958" and inserting in lieu thereof "1961", by striking out "of the Army, Navy, or Air Force, and as a part of the ration" and inserting in lieu thereof "(1) of the Army, Navy, Air Force, or Coast Guard, (2)", and by inserting before the period at the end of the first sentence of such subsection the following: "and (3) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy."

SEC. 505. Commodity Credit Corporation is authorized, on such terms as the Secretary of Agriculture may approve, to donate cotton acquired through its price-support operations to educational institutions for use in the training of students in the processing and manufacture of cotton into textiles.

The SPEAKER. Is a second demanded?

Mr. H. CARL ANDERSEN. I demand a second, Mr. Speaker.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. H. CARL ANDERSEN. I certainly am.

The SPEAKER. Without objection, a second will be considered as ordered. There was no objection.

Mr. COOLEY. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I am certain that all Members of the House realize that the matters now being considered are of very great importance. The amendment which I now propose was inserted in the RECORD yesterday. Because of the importance of the bill and the pending amendment, I am quite certain that all Members are thoroughly familiar with all the provisions of both the Senate bill and the pending amendment. I shall, therefore, not trespass very long upon your patience nor shall I discuss with any degree or detail the bill or the provisions of the amendment. The amendment I have just offered differs slightly from the amendment I offered last week when a motion was made to suspend the rule and pass the Senate bill with an amendment. We made several clarifying amendments to the original amendment which was offered last week, and we have made changes in three sections—the cotton section, the corn section, and the section providing price supports for tung oil. We have agreed to lower the price support on tung oil from 70 percent of parity, which was in the amendment offered last week, to 65 percent of parity. The Senate bill provides a price support floor of \$1.10 a bushel for corn while the amendment we offered last week provided a price support floor for corn at \$1.18 a bushel. We have changed the amendment so as to strike out the \$1.18 a bushel as a price support floor for corn and in the pending amendment, we permit the floor to go as low as 65 percent of parity which is the equivalent of about \$1.14 a bushel.

In the cotton section of the amendment I offered last week, the price support floor for cotton was fixed at 30 cents a pound based upon the average of the crop rather than upon the basis of 1-inch Middling as provided in the Senate bill or upon 7/8-inch Middling as is used in present parity calculations for price supports. In the pending amendment, the 30 cents a pound provision has been deleted and the amendment now provides that cotton under the A program will be supported in 1959 at not less than 80 percent of parity; in 1960, at not less than 75 percent of parity; in 1961, at not less than 70 percent of parity; and in 1962, at not less than 65 percent of parity. So instead of having 30 cents a pound as a floor in 1962, the floor will be fixed at not less than 65 percent of parity.

These are the three changes which we have made. At a meeting of our committee this morning, these changes were thoroughly discussed and our committee almost unanimously approved of the changes which had been agreed upon. I think that 1 member abstained and that perhaps 2 or 3 Members indicated opposition.

I am certain that you will recall that when this matter was before the House last week, I stated to the House that if



permitted to do so I would go to conference with an open and compromising mind and that I realized that we would perhaps have to make concessions. All the top-ranking members of our committee at that indicated a willingness to compose and to reconcile differences and to make an honest effort to reach an agreement with our counterparts in the Senate. My position then and my position now is that I would not accept the Senate bill in toto since I cannot under any circumstances agree to abandon the concept of parity which is the bedrock upon which the farm program has been built. The Senate bill does exactly that. It abandons parity and seeks to tie price supports to the average market price for the three preceeding years. Should we abandon the concept and principle of parity, the farm program in its entirety would fall apart. Parity is the fair and just yardstick which the public has been willing to accept and without which the firm foundations of the farm program would turn into sinking sand. I can assure you now that while the House conferees will do everything we can to compose differences, we will not yield, and in yielding lose the concept and principle of parity which means so much to the farmers of America.

This is the fifth time that the House Committee on Agriculture has tried to pass legislation in the 85th Congress which would be beneficial to the farmers of the Nation and in the interest of all the people of the country. First, we tried compensatory payment plan for cotton for 1 year, only to have the bill defeated in the committee by an almost strictly partisan vote. Second, we passed the acreage freeze bill only to have it vetoed by the President. Third, we reported the omnibus farm bill only to have the rule for its consideration defeated on the floor of the House. Fourth, we presented to the House an amendment to the Senate bill and I moved to suspend the rules and to pass the Senate bill with the amendment which was unanimously reported by our committee. But again we were defeated in our efforts. Now for the fifth time, we present a well-considered, a constructive and a much needed bill to the House for its consideration. This might very well be called the 5-star final. There will be no more additions. This is positively the last clear chance. You must accept this 5-star final or you will have no farm bill in this session of Congress. We have done our dead-level best to protect the Federal farm program and above all to protect the concept and principle of parity. We have worked hard and we have gone just about as far as we can go. While this bill may not be perfect, it is the very best possible under the circumstances. You can take it or you can leave it. It certainly is not all that I want, but I know that it is the best that I can get. Under the circumstances, we must be realistic. To the farmers of America, parity is a precious principle and it must be preserved. That is just what we do by the bill we are presenting. The livelihood of farmers must be protected and

that is what we do as best we can in the amendment I have offered. Everything indicates that we will only be in session for a few more days. Time is running out. The farmers of America need and want this legislation. The cotton industry of America needs and wants this legislation. We are about to write the final chapter. I urge you to accept this bill with the amendment in the hope that the Senate will agree to accept the bill as it will be presented when this vote has been taken.

Mr. H. CARLANDERSEN. Mr. Speaker, I certainly am not opposed to whatever this bill may do to help the people down South. I think from what they tell me there are necessary provisions in their relative to cotton and rice. I am, however, distinctly opposed to what they do to our greatest of all commodities, and that is corn. There is no real, long-term help here whatsoever relative to the corn and feed grains. We are putting our stamp of approval on 65 percent of parity and unlimited production—a dangerous combination. Let me say, by the way, I do appreciate the committee holding to the concept of parity, but we are here, Mr. Speaker, putting our stamp of approval on corn and feed grains, the most extensively produced commodities of agricultural America, at a level of 65 percent of parity. I think, Mr. Speaker, it is a sad day for agriculture and for the farmers of the Midwest when we must admit that that is the best this Congress can do for the breadbasket of the Nation. Here we are offering a \$1.14 equivalent to all the corn farmers in America and telling them to go ahead and produce all they want and there is no limit. Well, what is going to be the consequence, Mr. Speaker—simply, that next year according to the advice I have from the Department of Agriculture, we will overproduce and put into the bins of the Commodity Credit Corporation from 750 million bushels of corn to 1 billion bushels of corn, which will not be needed because, certainly, it is human nature for every farmer throughout the Midwest, if he gets \$1.10 or \$1.14 tag put on his corn, to produce every bushel that he can. That is just what this bill will do. So we will see in a couple of years our great Committee on Agriculture coming in here and trying to rectify the mistake I feel is being made here today and that is to discourage entirely any concept of orderly production. Why, Mr. Speaker, if we would put into operation a reasonable price support and sensible acreage allotment for corn it would be far better for this Congress to authorize the expenditure of \$500 million, if necessary, to hold up the price level of corn and feed grains at 75 percent of parity rather than to let it fall down to 65 percent and with increased production make the Commodity Credit Corporation buy, perhaps, 1 billion bushels of corn of the 1959 and 1960 crops which is going to cost the taxpayers much more money. At the same time you are depleting the soil of America by producing corn and feed grains that we

do not need and threatening the stability of all our livestock markets.

Mr. Speaker, I demanded a second simply because I want to go on record as saying, in my opinion, what the Congress is going to do here today is wrong, and basically wrong and I, for one, will not have anything to do with it. I will not have my stamp of approval put on this in any way.

Mr. Speaker, I now yield 2 minutes to the gentlemen from Massachusetts [Mr. MARTIN.]

Mr. MARTIN. Mr. Speaker, this bill is approved by the administration, Secretary Benson and Speaker RAYBURN. Last January a special message of agriculture was submitted by the President to the Congress. In this message the President made several recommendations which, if enacted, will prove of long-time benefit to the Nation and especially to farm people. The recent improvement in the agricultural position coinciding with the elimination of rigid price supports has not eliminated the need for improved legislation. Even though farm income has increased by 22 percent during the first 6 months of 1958, there is a need to help solve some of the key agricultural problems through beneficial legislation.

The House Committee on Agriculture and its various subcommittees has worked hard. In their considerations there have been many differences of opinion with respect to many of the items included in the proposal before us.

Many agricultural leaders on both sides of the aisle have contacted me indicating their concern over a possible failure to pass constructive agricultural legislation this year.

The cotton programs which have been tried for several years have priced us out of markets both at home and abroad. They have caused huge surpluses to be accumulated and cost the American taxpayer huge sums of money. The programs for cotton have been bad for the industry in more direct ways. Producers have had their cotton acreage cut sharply. Many cotton farmers are now reduced to units of completely uneconomic size. The reduction in cotton acreage forced by an unrealistic approach to the cotton problem has caused a great many acres to be diverted from cotton to other crops, and those diverted cotton acres are now competing with the corn producer, the hog producer, and other farmers, helping to make their problems even more serious.

A sound program for cotton must recognize what has happened to cotton and what must be done to overcome its present ills. A program for the cotton producer does not mean a welfare program, nor must it lead to worsened conditions. This great industry must be given help but assistance given should not seek immediate questionable short-term benefits at the expense of longer time needs and sound solution to the cotton problem. What is needed is action which will permit a reversal of the dwindling cotton markets, and more freedom for farmers to grow cotton in a competitive market.



If cotton is to be returned to its rightful place in agriculture it must be realistically competitive, and it is evident that this will require a change in cotton legislation. The administration has strongly recommended changes that will make cotton competitive price-wise, quantity-wise, and promotion-wise, in markets both at home and abroad. This new legislation will also be helpful to the badly stricken cotton textile industry.

In formulating long-term legislation for such basic commodities as cotton, rice, and corn it is essential that full and complete consideration be given to the formulation of programs which meet the objectives of expanding market and other outlets for the bounty with which this great Nation is blessed.

In the last few days much thought has been given to compromises which meet in large measure these constructive objectives submitted by the President. The compromise proposals submitted to your vote today meet those objectives. They are satisfactory to the responsible agricultural leadership of this body. They are satisfactory to the administration. This is legislation in which all of us can take pride.

It was born out of patience by men of good will on both sides of the aisle. I commend it to your favorable vote.

#### GENERAL LEAVE TO EXTEND

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members may revise and extend or extend their remarks on this bill at this point.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. SMITH of Mississippi. Mr. Speaker, I want to join in vigorous support for the farm bill before us today. Its passage is vitally necessary to prevent grave economic damage to the people of the Mississippi Delta who I have the honor to represent in the Congress.

Without amendment to the present law, severe new acreage restrictions would go into effect for both cotton and rice farmers next year. Cotton acreage in my area might be reduced as much as 25 percent. Many rice farmers would virtually have to end their operations because acreage allotments would be too small for economic feasibility.

A very conservative estimate of the direct economic loss to my District would be in the neighborhood of \$25 million. Obviously the Nation cannot afford losses of this kind.

I want to express my appreciation and that of the farmers of my District for the leadership of the House of Representatives in working out the impasse and making passage of this bill possible. It has been a difficult situation, and I am grateful to Speaker RAYBURN and Chairman COOLEY of the House Committee for the role they have played in helping us to reach an agreement on this legislation so vital for the farmers of our area.

I want to pay a special tribute to my neighbor across the Mississippi River, the Honorable E. C. GATHINGS, chairman of the Cotton Subcommittee of the House Agriculture Committee, and to my col-

league from Mississippi, the Honorable THOMAS G. ABERNETHY. These two outstanding legislators have worked endlessly to help reach this solution in this very difficult situation.

This bill is more than just an emergency solution to the problem which confronts cotton and rice farmers. It offers the beginning of a long-range solution to our problem of gradually declining consumption and further restrictions in acreage. Cotton and rice both must move to competitive prices. Only through this process can we assure ourselves of both foreign and domestic markets in keeping with the traditional roles of these crops.

In the years since I have been in Congress I have seen domestic consumption of cotton decline by almost 25 percent. This decline is due to many factors, but the most important one has been the price differential in relation to competitive synthetic fibers.

Cotton still has a great future as a major American crop, but it cannot survive unless the atmosphere is conducive to a fully competitive market. This bill is a long step forward toward a realistic cotton program. Obviously adjustment must be made in the future. We have to ease any transition in supports to prevent hardships, especially for the small producer.

We are taking a historic step forward today, and I confidently believe that it will mean the beginning of a rejuvenation of cotton's position at home and abroad.

Mr. BALDWIN. Mr. Speaker, I rise in support of S. 4071, the farm bill. I am very pleased that this bill has been again brought to the floor. It contains a highly meritorious extension of the National Wool Act for 3 additional years. This act has worked very well and is most important to the future stability of the sheep and woolgrowing industry. I urge the approval of S. 4071.

Mr. HEMPHILL. Mr. Speaker, I rise in support of this legislation. I am happy that the leadership of this House has seen fit to bring this legislation back before us for a vote. I voted for it before and I shall vote for it today.

I have had a feeling for some years now that we had cut our cotton acreage to the danger point. Some have been inclined to think that we could always resume high production in the event of emergency, but it does not work that way. It takes know-how to grow cotton. It also takes labor, machinery, fertilizer, and seed that will germinate. Once a farmer gets out of the business of growing cotton he has great difficulty getting back in. He has to find the labor, buy the machinery, and try to find the right kind of seed. He just cannot go into business overnight, and cotton is today, and I hope it will remain so, an essential fiber.

This bill provides for a minimum acreage. I do not think that is sufficient, but I intend to support the bill because we must have a farm bill this year.

Some of the farmers may not like the choice plan. The choice plan is much better than a plan of continued acreage reduction.

I believe in 90 percent parity. Unless the farmer prospers, the Nation does not prosper. Look at us now; we are in a recession, admittedly so. The farmer is suffering, and the Nation suffers.

The farmer is not only a producer in this economy of ours, he is a consumer. He cannot be a consumer unless he has the money to buy goods with. He cannot have the money unless his farming activities are profitable. It is as simple as that.

Someday some major national party is going to revamp this entire farm program. It will be one of the greatest legislative events of this century. The farmer, rather than the farm bureaucracy will be put first and foremost. The position of the farmer and the consumer will be reconciled to the advantage of both. As it stands today, so often the consumer is antagonistic to the farmer because the consumer thinks the farmer is responsible for the high food cost. Such is not true; it is not the fault of the farmer. He is barely making a living, and suffering every year from governmental regulation or governmental indifference.

There are, of course, some things in this bill I do not like. There are many activities of the Department of Agriculture I do not like. But I am going to support this bill as a step in the right direction. The bill has some excellent features.

The use of a 4-year yield instead of a 5-year yield should help the farmer. The establishment of permanent minimum for upland cotton should be a step in the right direction.

I am glad this bill provides for acreage retention in the county. Along with the distinguished Representative from Mississippi [Mr. WHITTEN], and others, I introduced a bill to provide for sale or transfer of acreage, and we all had high hopes something would be done. We believe this is a step in the right direction.

I hope the President will sign this legislation. I hope he will come around to our way of thinking and join us who have the interest of the farmer at heart.

Mr. Speaker, I hope we pass this legislation today.

Mr. VURSELL. Mr. Speaker, I am supporting Senate bill 4071, as amended by the House, which is before us today, in the belief, as expressed by most of the Members representing farm districts, that it is the best bill that we have an opportunity to pass in the House in the interest of the farmers in this session of Congress.

I have opposed other attempts to pass farm legislation that have been opposed by the Secretary of Agriculture and the Farm Bureau Federation because I felt certain that those bills were not in the best interest of the farmers of Illinois, and in the Corn Belt generally.

I am, indeed, happy to note that this legislation removes, as far as is possible, the danger to the farmers in previous bills defeated by the majority of the Members of this House.

Mr. Speaker, fortunately, today, this bill has the support of the Secretary of Agriculture and a large majority of the Members of the House who are most in-



terested in the welfare of agriculture.

For corn, this bill provides for a referendum which would give farmers a choice in the voting between the present program, which is 75- to 90-percent price supports with acreage controls, or no controls with a minimum support of 65 percent of parity—the referendum to be decided on a majority vote.

Of course, the bill now goes to the Senate where a conference report might change the bill in some respects.

I think this bill, as amended, will cause the cotton farmers who, under previous allotments have been planting their lands in corn, which they could not plant in cotton, to grow more cotton and less corn. This will lessen the production of corn in the South, and relieve, to a considerable extent, the overproduction of corn throughout the Nation, which has been depressing corn prices. This legislation will be helpful to the cotton farmer who can increase his cotton acreage, and will be helpful to the corn farmer by reason of less corn being planted in the South. It will help the corn farmers in other ways as well.

Mr. BROWN of Missouri. Mr. Speaker, the skids are greased. At long last, Secretary Benson is going to take the American farmer for another ride down a primrose path to peasantry; and two-thirds of Congress will willingly or desperately endorse it. But not I.

And oh, the sugar-coated happy pills that have been fed to cotton, rice, and corn growers to make them think they are going to enjoy this ride down the primrose path.

Desperate cottongrowers are offered immediate permission to grow 2.2 million acres of allotments in 1959. They need it. They deserve it. They could have it under existing law, if the Secretary of Agriculture wanted them to have it. But the Department of Agriculture is using the cottongrower's predicament to force upon all farmers a long-range program that Mr. Benson otherwise could never get passed, lower and lower farm wages, profits, and income.

The cornrowers would never have agreed to such a program, but Mr. Benson gave them the giant size happy pill, a 1 year growing binge that may be fun while it lasts but the hangover will be terrific.

For 1959, corn farmers will be permitted to grow all they can grow, production unlimited, at a guaranteed price of \$1.14 a bushel.

Oh, how tempting this is for the shortsighted. But look at the facts. This Government now has in Government CCC warehouses an all-time record inventory of corn and feed grains, some 1,800,000,000 bushels that they cannot get rid of. That's enough to feed every head of livestock and poultry in America for more than 10 months. That is some \$2,700,000,000 worth; and unhappily, the taxpayers have not yet been billed for it. The bills will filter in during the next few years. In addition, there are 323 million bushels of surplus feed grains and corn now stored on farms.

Yet, in face of this, the corn-belt areas through their Secretary Benson, told the cotton growers that they would trade

them 2.2 million more cotton acreage, if the cotton growers would give them unlimited acreage at a guaranteed price of \$1.14 for 1959.

Imagine; with corn and feed grains running out of our ears, the Secretary of Agriculture has the nerve to say to corn and feed-grains producers: "Go ahead, produce all you can produce. The taxpayer will pick up the tab for it at \$1.14 a bushel." It will be quite a 1-year whinging, but the taxpayer's tab will be at least \$500 million and it may run \$800 million. For what? To put corn in Government warehouses to rot.

Oh, I say to you, the cotton grower needs 2 million more acres. But at this price? The taxpayer has to pay \$500 million. That is almost \$250 per acre. That is pretty expensive trading.

All this Congress needed to do was to pass a simple joint resolution directing the Secretary to invoke the emergency clause of the Agricultural Adjustment Act of 1938, as amended. Then cotton plantings could have been increased.

But no, the taxpayer has to buy the increase from corn and feed grains growers.

Now, bad as the short-range aspects of this bill are for the taxpayer, the long-range aspects are worse for the American farmer. This bill broadens the power of the Secretary of Agriculture to lower farm wages, profits, and income, by law, every year for 3 years.

Weigh those words. This Congress is passing a law expanding the powers of an agricultural czar to lower farm prices and wages.

Understand, this Congress isn't passing any laws to empower the Secretary of Commerce to lower steel prices or automobile prices, nor the Secretary of Labor to lower wages anywhere. This brave Congress is passing laws only to force lower and lower wages and earnings on the defenseless farmer.

And don't think it's just corn, cotton, and rice farmers that will be affected.

The Assistant Secretary of Agriculture says the strategy is to hit corn, rice, and cotton growers this year, then pick off wheat and milk farmers next year. I heard Secretary Benson himself tell the Agriculture Committee that the primary reason for lowering farmers' manufacturing milk prices from \$3.25 to \$3.06 this year was to keep milk prices in line with basic commodity prices.

Corn, cotton, and rice farmers get their farm prices rolled back this year. Milk will follow. And what will happen to steel and trucks and tractors? Those prices will stay high or go higher. The Secretaries of their departments have not demanded a rollback law.

No Secretary of Agriculture should be given any more czar powers to force lower prices on farmers by law, unless industry prices are lowered by law, also.

Any cut in farmers' prices below present low levels will not be passed on to consumer; it will gradually be absorbed in processing and distribution. Consumers pay more for dairy products today than in 1950. Farmers sell milk to manufacturers for less today than in

1950. What has happened to the difference?

Look at the figures. The dominant Big Four dairy processors' profits increased 104.4 percent since 1950; their employees are receiving 50 percent higher wages; their advertising costs are up 25 percent. Farmers took a cut. Others gained.

An executive of one of the Nation's largest cereal companies was quoted in Wall Street Journal:

Our profits increased \$2½ million in 1957 without an increase in sales \* \* \* due to lower cost of raw materials—oats, corn, and wheat.

In other words, extra profit came out of farmers' rightful share.

Is it fair to cut back farm prices, by law, to open the gates still more for processors of farm commodities to increase their profits and wages at farmers' expense? Surely, no one wants to force American farmers into peasantry. Everyone is entitled to a fair share.

This new bill is a continuation of "czar" pricing experiments of the past 5 years; and results so far are: It now costs \$6 billion a year to run the Department of Agriculture—cost ran \$1.04 billion in 1952. Surplus commodity stockpiles—after huge gifts to foreign countries—are now six times larger than in 1951.

In my opinion, this Government has played around with expensive experiments in agriculture pricing long enough. The only way to get a sensible farm program, run by farmers, is to stop this patchwork compromising.

Are two million acres more cotton so dear right now as to be purchased at the price of peasantry?

I am disappointed in this House today. I am sickened at the sight of the Democratic Party's participation in this compromise. I expected better of the Republican Party's Farm Belt leaders. But Benson's power is appalling.

But, obviously, the fight is finished. Justice and fair play have lost again; but there will be a day of reckoning.

Vote for this bill if you will. Pass it if you must. But when you do, please have the decency to encase it in a glass vault, place a wreath upon it and inscribe "Here lies the future of the American farmer, killed by compromise." And save a spot for the taxpayer. He is being taken for a ride, too.

Mr. ROBERTS. Mr. Speaker, the 85th Congress has been one of outstanding accomplishment and we have much of which to be proud when we take our records home for examination by the people. But we will not be able to present our scorecard proudly if we fail to act upon the single most important task yet facing us, that of enacting new farm legislation.

We must not let the soothing soft winds of adjournment, which are breathing so appealingly down our necks, deter us from the job at hand. We must, before we go home, take action to avert further calamity to the Nation's and particularly to the South's agriculture economy.

My greatest concern right now is for the cotton farmers of Alabama.



Failure to come up with beneficial legislation in this Congress will deal them a deathblow. Secretary of Agriculture Benson says that, without any new legislative authority, he will set 1959 cotton acreage at the absolute minimum 13.6 million acres, or 22 percent less than this year's allotment. He stanchly disdains any suggestion that he use his authority to give relief through administration action.

Therefore, legislative action is demanded. Without it, there can be no result but the continued and increased deterioration of agriculture. The brunt of the blow will be borne by the cotton farmer.

Mr. Speaker, let me tell you what the situation is in Alabama. Today, in my home State, there are less than 180,000 farms, as compared to 227,000 in 1930. There are 28 percent fewer people on those farms today as compared with 25 years ago.

In the Fourth Alabama District, which I serve, we have lost a third of our farmers and 37 percent of our farms in a quarter century. In 1930, the Fourth District had 152,157 people living on about 29,000 farms. In 1955, our farm population had shrunk to only 100,000 and we had only 18,000 farms.

Why are our farmers leaving their land? There are, of course, many reasons, not the least important of which is that the cotton farmers have lost more and more of their land. During the 25-year period 1930-1955, the Fourth District's cotton acreage has shrunk 77 percent. In 1930, we had 410,867 acres planted to cotton. In 1955, our farmers were raising only 95,000 acres of cotton.

And what happens to the thousands and thousands of farmers who finally give up their land because they are forced to in order to make a living for themselves and for their families? They have or—right now, in all too many cases—they are looking for other jobs. This contributes very greatly to the critical unemployment situation. Even those who attempt to stick it out must supplement their incomes in off-farm employment. In the Fourth Alabama District, a whopping 41 percent of our farmers have to work off the farm 100 days or more each year.

No wonder the economy finds itself in recession. We have hired the farmer as our coachman while we ride our shiny carriage to the poorhouse. I assure you the coachman had rather be home cracking his whip over a team of plowmules.

Secretary Benson blithely has refused to acknowledge that proposed reductions in cotton acreages on the 1959 and subsequent crops will endanger an adequate supply of high quality United States cotton for domestic use and result in further loss of our foreign markets. Informed sources have estimated that we will fall short of fulfilling 1958 requirements for this cotton by some 4½ million bales.

We worry about surpluses when we ought to worry about having enough. We are losing a million acres of productive land each year through such causes as misuse, highways, municipal expan-

sions, industrial development, and military expansions. At the same time, our population is increasing at the rate of three million a year. Experts tell us that by 1975—less than 20 years from now—we will need to produce, among other things, 20 percent more cotton than we are now producing.

Already we are treading on dangerous ground. In Alabama, the cotton crop this year will be about 25 percent less than the one for 1957. The crop forecast is 400,000 bales. Acreage for harvest—estimated at 544,000—is the smallest on record for the State and indicated production is the lowest since 1868.

This is the situation which exists, and it is the sort of condition which will be compounded if the Congress fails to take things in hand and arrive at some workable legislation.

I have been disappointed time and again during my tenure in the House, and particularly in the 85th Congress, when my efforts and those of my colleagues with whom I have joined were stifled.

Early this year, we had a good, emergency-type bill to freeze crop price supports and acreage allotments for 1 year to give us time to work on more comprehensive legislation. Both Houses approved this legislation, only to have it vetoed by the President. Then, the House Agriculture Committee's omnibus farm bill was rejected. Most recently, the Senate passed a farm bill which, when amended by the House Agriculture Committee, was turned down when it came up under suspension of the rules.

There have been any number of other constructive sources of legislative aid proposed. I think my square deal cotton bill is a good plan. Under it, there would be established for each old cotton farm a farm base acreage, which would be the present farm acreage allotment increased by 20 percent. Producers then would be compensated for reducing their acreages of cotton below their farm base acreages.

In February of this year, I and the other members of the Alabama delegation sponsored bills identical to H. R. 10709. This legislation would maintain the national cotton acreage allotment at not less than the national cotton acreage allotment for 1956; provide that no State shall have its cotton acreage allotment reduced by more than 1 percent from such State's allotment for the previous year; provide that no farm shall receive less than a 4-acre allotment or the highest number of acres planted during the last 3 years, whichever is smaller; and, continue a national reserve of 100,000 acres for use in making allotments to the States to take care of minimum farm allotments.

Mr. Speaker, this is the type of legislation we so desperately need today. This is the kind of bill which will help the most harassed individual in America; the small, independent cotton farmer. Some people will try to tell you that this individual has passed from the farm scene and is no longer important. This simply is not true. In the Fourth District, a total of 7,928 farmers had allotments of 10 acres or less this year. Over

the State of Alabama, there are 97,257 farmers with 10 acres or less. These are your small farmers; they need help.

Mr. Speaker, my plea here today is that we not minimize in our minds, during the desire to get home, the acuteness of the situation.

The bill which we are now considering is, I think, a pretty good cotton bill, although it also deals with rice, wool, and corn. This legislation contains the A and B choice plans, with a chance for receiving 80 percent of parity next year, scaling down to a floor of 65 percent of parity by 1962. Under this bill, 16 million acres would be assured for allotments in the next 2 years. The farmers receiving 10 acres or less during the current year will not be changed. This would be a permanent type of legislation.

Now, this is not the best possible bill; there are a number of shortcomings. But it has a great deal of merit. It is a step in the right direction, and it is far better than no bill at all. In my opinion, we should pass this bill. We cannot afford to let pass this opportunity to enact beneficial farm legislation.

Mr. MAHON. Mr. Speaker, there is no opportunity to make a talk in regard to farm legislation at this time, but I do want to make a few remarks for the RECORD. The farm bill which will be adopted today is, in my opinion, quite inadequate in many respects. Earlier in the session we voted for a couple of farm measures which were better than the one which is presented today. One of the bills was vetoed and the other failed of passage by reason of the opposition of the Secretary of Agriculture.

I fear that the bill which is being considered today will be a move in the long run toward a lower standard of living for the American farmer, particularly the cotton farmer. The farmers of the area which I represent are, if I may judge from my correspondence, quite uncertain as to just what they feel Congress ought to do in view of the complexities and difficulties which confront us at this time. I have received many telegrams urging me to vote for the so-called original Senate bill, which is, in my opinion, less adequate than the modified version now before the House. I have received a number of messages deploring what was referred to as a campaign for just any kind of farm bill. Those expressing this view took the position that no bill was better than the Senate bill known as S. 4071.

In view of the fact that the Secretary of Agriculture indicated a few days ago that the national cotton allotment for next year would drop to less than 14 million acres, there seemed to be a very widespread interest among west Texas cotton farmers in the passage of some sort of measure which would prevent this calamity. The hope was that the bill before us would be reasonably adequate for a year or so, and that at a later date a more satisfactory long-range program could be formulated and approved by Congress.

The pending measure provides for a choice A and choice B plan for farmers. This is an untried system. It may work,



I hope it will work, but admittedly there will be a lot of difficulties involved in the administration of this new type program for cotton. In my opinion, the average farmer in west Texas feels that a farm program which offers a support price of no more than 65 percent of parity on a long range basis is quite inadequate and unacceptable. Of course, for the next couple of years the support level will be higher than that for the so-called choice A farmer, but we must look to the long range effect of the program which is being considered today. We cannot be sure that it will be possible to secure the changes which may later be required. We will do better if we face up to the serious situation which confronts the farmer in the immediate future and for the long pull.

Mr. BREEDING. Mr. Speaker, I want to make my position clear. I am opposed to the Senate farm bill, S. 4071. I am against doing away with the yardstick to measure the worth of agriculture products. Namely parity, which this bill does. Now, Mr. Speaker, we are amending this bill with a House bill which was defeated here a few days ago and with still two further restrictions.

Mr. Speaker, I am opposed to the provisions which say that the supports for corn shall be figured 10 percent below the average price for the last 3 years, which can only mean cheaper prices for this farm commodity.

Mr. Speaker, I think that taking off all acreage controls for corn will only create more surpluses and we already have hundreds of thousands of bushels of surplus grain at present. Grain sorghums, barley, and oat prices are figured in comparison to the feed value of corn in this bill. Ten percent below the average price of the last 3 years means cheaper prices for these feed grains.

I would gladly support a reasonable program for cotton, wool, and rice. We had what was called an omnibus farm bill a few weeks ago, June 26, which would have taken care of all basic agriculture crops. The rule for this bill was defeated on the House floor.

I represent a district which raises principally wheat and grain sorghums; wheat is left completely out of this bill as well as the dairy people. Also, grain sorghum growers do not stand to benefit from these cheaper prices.

To me, Mr. Speaker, it is the beginning of more production and cheaper prices. With the costs of production climbing higher each year, how can we support a program which creates cheaper markets and more surpluses?

These cheaper prices for feed grains are certain to create cheaper prices for cattle and hogs.

To me, this bill is 10 percent less than a poor price for feed grains.

I sincerely hope that no Member of Congress really thinks that the farmers of America ought to have a lower income than other segments of our population.

Mr. LAIRD. Mr. Speaker, I am indeed disappointed with the situation that confronts us in considering the om-

nibus farm bill which we have before us today. I have opposed the last two omnibus farm bills because they have not dealt fairly or adequately with the problems facing the American farmers and ranchers. The bill which has been brought before us today, under the suspension of the rules procedure, prohibits the introduction of amendments to provide for an adequate dairy section in this bill.

I will have opposed, with my vote today, all three of the 1958 omnibus farm bills because they have not contained proper provisions for our milk producers. I am willing to lean over backwards to support the requests of all sections of agriculture. It is my honest opinion that this bill, brought up under the suspension of the rules procedure, is not the way to treat the important subject of agricultural legislation in this 85th Congress.

Mr. CHAMBERLAIN. Mr. Speaker, I wish to associate myself with those who are supporting the farm legislation presently before us. Like other Members of this body, I am pleased that the administration and the House leadership have been able to resolve their differences and join together in advancing a bill which will prove helpful to the American farmer.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HILL. Mr. Speaker, I shall make my remarks short and to the point. Everyone within the sound of my voice knows that we had a bill not too long ago on the floor of the House which, had it not been brought up under a parliamentary situation requiring a two-thirds majority, would have passed with a simple majority. We failed to give the bill a two-thirds vote.

This afternoon I am here speaking with all my heart and all my consciousness urging the House in the last few days of the session to take advantage of this, the last opportunity this body will have to pass what I shall call a history-making piece of farm legislation.

Our committee has worked as it has never worked before in all the 16 years of my service on it. I am sure you understand that in the last days of a session which I myself expect to be the last debate in which I shall participate as I am not a candidate for reelection, it is far from my intent to say one word on the floor that does not have my conscious and soul-searching approval.

There is a strange thing about this bill that is before us today. The unusual thing is the folk who are supporting this bill. The Secretary of Agriculture, and I shall read a letter at the close of my remarks from his assistant, supports this legislation, our committee unanimously supports this bill while a few days ago opposed many sections and now we have changed or modified certain sections so all are in accord.

The vote in the committee this morning to report out the bill was unanimous; there were no votes in opposition. However, in some instances, presently in the matter of corn I may differ with my friend the gentleman from Minnesota [Mr. H. CARL ANDERSEN]. We took care of corn differently than was stated. We set a base on the price of corn or a floor. I hope everyone understands this. The gentleman from Minnesota is 100 percent correct when he said 65 percent, but that is the floor, or the base, and yet corn today is selling for \$1.14 and, according to my friend, the gentleman from Indiana [Mr. HARVEY], at \$1.14-plus per bushel. Let no one be carried away with the thought that we are not taking care of corn. The very program you have will destroy corn due to the fact that you cannot compete with feed grains as no acreage control exists on feed grain. So we think we did an excellent job for corn.

In addition to corn, we took care of cotton. I am not going to say much of cotton, for when I talk about cotton I am out of my field, but in the case of cotton the base there too is 65 percent base floor. Something must be done to help cotton because the loss in acreage on cotton has been severe in the last few years, and cotton growers are in real difficulty.

In addition, we have provided exactly the same for rice. We have provided a 65 percent base or floor. I know some will say that that is too low, but it is not too bad. The rice growers support this bill.

We have also provided continuation of wool in this legislation. Mr. Speaker, I plead with every Member of this House to vote for this bill if he wants to see fair legislation passed for agriculture, because this is the last opportunity you will have, in my opinion, to pass any on agriculture in this session of the Congress.

Mr. Speaker, I shall read the letter I received from the Assistant Secretary of Agriculture, and then yield back my time. I do not think we are going to get anywhere by going over all of the details we discussed in the past few months on the agricultural situation. The Members of this House have made up their minds now as to what they are going to do. My prayer is that you do the right thing, send this bill to conference, and if you do do not like anything that comes out of that conference you may object.

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. COOLEY. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. HILL. Mr. Speaker, there will be an opportunity to explain the bill in detail.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Mr. Speaker, I would like to say that the gentleman now in the well of the House is probably making his last speech on farm legislation. He is retiring at the end of the present session. May I say on behalf of myself, and I am sure on behalf of the members of our committee and on behalf of the



Members of the House, that the gentleman from Colorado [Mr. HILL], is leaving us with our regret and with appreciation of all for the fine service he has rendered during his long tenure as a Member of the House of Representatives.

Mr. HILL. I thank the gentleman.

I should like to yield now to our farmer from the sidewalks of New York. I can say from the bottom of my heart that in this case he has gone along with most of the things we have felt were necessary to take care of our farm program. I yield to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Speaker, after the tremendous ovation which the gentleman now the well of the House received, to which he was justly entitled, may I say it has been a great honor to work with him on the Committee on Agriculture. After the ovation which he has received, I did not want to ask him any questions, but I do have a question I am sure some of my city people would want to have answered and, if the gentleman does not mind, would he answer this question: The objection to this bill is that it does not go high enough, it does not give more protection, it does not make prices higher?

Mr. HILL. That is not the object. Let me say that this bill provides flexibility for the Secretary of Agriculture that many members of our committee have insisted on all along that the price of farm products should have.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. HILL. I yield to the gentleman from North Carolina.

Mr. COOLEY. May I suggest that perhaps the gentleman from Colorado misunderstood the gentleman from New York when he was asked to give the objections to the bill which were that it did not provide enough protection for farmers and did not fix prices high enough. That is exactly the objection that the gentleman from Minnesota has, and I am frank to say that if I have any objection to the bill I would agree with the gentleman from Minnesota in the view he has expressed. But I am realistic enough to accept the best proposition that is possible and this is it.

Mr. ANFUSO. This bill will save some of our city people some money?

Mr. HILL. I shall read the letter, and here again, Mr. Speaker, I hope we will have attention. The letter is dated August 14, 1958, on the letterhead of the Department of Agriculture:

HON. WILLIAM S. HILL,  
House of Representatives.

DEAR BILL: In accordance with your request I am enclosing a marked copy of S. 4071 with proposed revisions. As indicated to you earlier, these revisions are acceptable to the Department.

You are to be congratulated for the constructive role which you have played in the formulation of these compromises. I am sure that passage of this legislation will be a step forward for agriculture.

Sincerely yours,

MARVIN L. MCLAIN,  
Assistant Secretary.

Mr. Speaker, we are approaching the end of a very important and history-making session of Congress. These are

also my last days as a Member of this great legislative body—as I am not a candidate for reelection. In my mind this is the greatest legislative body in the world. During most of this term, since the untimely death of the Representative of the State of Minnesota, Mr. August H. Andresen, I have served as the ranking minority member of the Committee on Agriculture.

This has been a hectic session with respect to agricultural legislation. At times some of us have felt discouraged with the thought that much-needed legislation could not be passed in this session. I was not one of these pessimists. As you know I have always been an optimist, not only about the future of this country but on the basic good sense of this body in approving constructive agricultural legislation.

The House Committee on Agriculture has been a hard-working body. Many times heat has been generated by differences of opinion. Certainly, no one has expected that unanimous approval would be forthcoming with respect to every decision made.

We have before us a bill on agriculture covering several commodities, primarily wool, cotton, rice, corn, and other feed grains. This bill now represents the combined judgment of both sides of the aisle and is satisfactory to the administration. I have worked hard, as have many of my colleagues, to develop a constructive bill to meet the special problems of cotton, rice, wool, corn, and other feed grains. Certainly on my part there was recognition that to ask the cotton farmers to take a 22-percent cut and the rice farmers a cut of almost 50 percent, as required by the Agricultural Adjustment Act of 1938, would be most unfortunate. At the same time I recognized that there was great need to make cotton and rice more competitive so that markets could be regained both at home and abroad—so that huge surpluses would not be accumulated—so that the taxpayer would not be asked to carry a tremendous additional burden.

For some time there has been general recognition of the fact that acreage allotments have not been very popular and have not been effective in reducing corn acreage and production.

The corn farmers have rejected this concept of acreage controls and in 1957 only 14 percent of the production in the commercial corn area was eligible for the full \$1.40 per bushel price support. With such low participation this meant that 86 percent of the production was not eligible for price support unless the Secretary of Agriculture used his authority to provide such supports. Farmers should be thankful that this administration decided to prevent a price collapse for corn and announced price support of \$1.10 per bushel for corn not produced within acreage allotments.

When farmers had an opportunity to vote on the elimination of corn allotments in the December 1956 referendum over 61 percent of those voting indicated their preference for a program which eliminated acreage allotments for corn and provided price supports to all corn producers in a manner similar to that

now provided for other feed grains and soybeans.

Acreage allotments have been much less effective in reducing acreage and production for corn than for the other basic crops, and apparently have been less effective since World War II than before it. Marketing quotas and their accompanying penalties were never proclaimed for corn before Congress repealed the provisions for them in 1954. Hence, when corn producers in the commercial area do not comply with their acreage allotments they merely lose their eligibility for price support and to participate in the Soil Bank; they are not subject to penalty. Most corn producers grow corn principally for livestock feed and are not highly interested in the price support program.

The evidence is convincing that we should move in the direction of more freedom for our corn farmers, unfettered by allotments determined by rigid formulas.

As we look down the road let us keep in mind that future agricultural legislation enables our farmers to expand their markets. Everyone within the sound of my voice knows of the abundance which our farmers are capable of producing. Let us seek the means of finding constructive outlets for this abundance.

As you know, I have been in the forefront in developing a compromise bill which would meet the immediate problems of the cotton and rice farmers and, to a large degree, the constructive measures recommended in the January agricultural message of the President. Men on both sides of the aisle have helped in our effort to develop the compromise proposals which are submitted today for your approval. I am sure they meet these objectives. The responsible agricultural leadership of this body also agrees with my analysis. The Administration advises me that these compromises are acceptable. We should all be proud that we have played a part in the development of this legislation. It proves that men who are willing to submerge their party differences for the common good can always come out with good legislation. A favorable vote will be an expression on your part that this is constructive legislation.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, there is no real alternative given to the farmers of America in the Corn Belt to vote as they would like to vote in this proposed referendum. They have simply a choice of something which we all know has not worked. The present program has failed because of the very limited corn acreage, a situation which we tried to rectify last year through the Andresen amendment. Then, on the other hand, farmers will have the choice of approximately 65 percent of parity for all-out production. Consequently, the farmer, in my opinion, has no real choice in that particular referendum. This bill does do some good in giving additional acreage to the cotton and the rice people. I am also wholeheartedly in favor of the wool program. As I said, I do not begrudge them that, Mr. Speaker, but I am simply pointing



out that in my opinion this Congress is doing nothing constructive for the Midwest farmer.

Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, I, of course, like most of us from the agricultural grain-producing areas of this Nation, do not like the 65 percent of parity provision in this bill for corn. But, there is one redeeming feature in the bill, which is, it provides that cotton acreage can be increased to a very marked degree. The cotton farmer, has for years been taking cotton out of production and putting in corn, which has been bad for the corn farmer, because the corn farmer cannot take corn out of production and put in cotton. So we can see in this bill that benefit to the corn farmer. The cotton farmer wants to raise cotton, and he will raise more cotton and hence less corn if this bill is made law. Also the bill extends the Wool Act, which is good.

Now, Mr. Speaker, as I have said before on this floor and elsewhere many times, we can legislate in vain attempts to solve the farm problems but until the day comes when this Congress wakes up to the fact that the only real solution to the problem is to use up our surplus grain in power alcohol and feed it in liquid form to the iron horse, as we used to feed it in natural form to our horses and mules before the advent of the iron horse, this problem will not be solved. Before the advent of auto, truck, and tractor, our horses and mules ate the production of over 43 million acres of our land. Compare those if you will with the acre figures we are now attempting to take out of production by the Soil Bank Act.

As you know, Senator KARL MUNDT of South Dakota and I introduced a bill to process our surplus grains into grain alcohol and mixed with other motor fuels, but as always a few huge powerful oil-producing corporations have been successful in keeping our bill pigeonholed in the Agriculture Committees of Congress.

I hope they will soon see the light, for certainly they are in the same boat with our farmers in every economic storm.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. COAD].

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. COAD].

(Mr. COAD asked and was given permission to revise and extend his remarks.)

Mr. COAD. Mr. Speaker, I am against this bill because I will not be a party to selling out the feed-grain farmers of my district to the detrimental provisions of the Benson program. The other day a bill was before this House which put a floor of \$1.18 under corn. That is a floor which is considerably too low. That floor was all I could stand—was all I could stomach. This bill before us today takes away even more and I know for a certainty that the grain farmers of Iowa need assistance not a further weakening of farm legislation.

This proposal before us today would, if enacted, open the flood-gates of production without any adequate price protection whatsoever. The ultimate outcome of this plan will be the elimination of our family farm units and turn agriculture into a big business corporation venture. The elimination of our family-farm units does not reduce the acreage under cultivation, it does not cut down production in any way, it merely reduces the farm population. Nearly a million and a half of our farm people left the farms from 1956 to 1958. This bill would accelerate this movement off the farm.

Immediately following World War II we lauded General MacArthur for going into Japan and breaking up those tremendous land holdings. And yet, the farm program laid down in this Benson bill will bring about the same conditions here that we had to break up in Japan. If we are not able to stop this concentration of land ownership the day will come when most farmers will be laborers working for absentee landlords.

This bill calls for reduced price supports and unlimited production. This policy denies the majority of our family farmers the right to share in the rewards of increased efficiency. This policy simply says the family farmer must farm more acres, at lower prices, must work harder and longer, and still have no guarantee of any economic stability.

If the Government of the United States would turn the printing presses loose in the Treasury Department and print an excessive supply of currency and because of this overproduction the valuation of the dollar went down, we would call it currency inflation of the worst sort and demand that it be stopped immediately. But, the Eisenhower-Benson program which is embodied primarily in this bill will do the same thing to the farmer. This is commodity inflation of the worst sort. The farmer will produce more and more and the price will be less and less.

Mr. Speaker, what we really need is an enlightened farm management program. We need a program which takes into consideration production, price, cost of production and the market for the product. This bill does not do anything except lower the support price and paves the way for unlimited production.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. CHRISTOPHER].

(Mr. CHRISTOPHER asked and was given permission to revise and extend his remarks.)

Mr. CHRISTOPHER. Mr. Speaker, as usual, when I have something important to talk about, I only have a minute in which to do it. I cannot read all this into the RECORD, because a minute's time would not suffice. But I would suggest that you check page 16028 of the RECORD of August 13th, yesterday's RECORD, the second paragraph in the center column.

Mr. Speaker, I just want to say this, that this bill is an absolute, unconditional surrender to Ezra Taft Benson. I fought him for 4 years. I have never surrendered to him. If anybody wants to go home from this House this fall and campaign on the fact that they

surrendered absolutely and unconditionally to Ezra Taft Benson, let them do so, but not in my company. This diabolical conglomerated monstrosity, if enacted into law will only hasten the day when the American family-type farmer will become as extinct as the buffalo.

(Mr. THOMSON of Wyoming (at the request of Mr. H. CARL ANDERSEN) was given permission to extend his remarks at this point in the RECORD.)

Mr. THOMSON of Wyoming. Mr. Speaker, it is essential that this bill receive action in this session of Congress. To accomplish this, I urge my colleagues to suspend the rules, pass the bill and move it forward into conference. I have consistently voted to place our disproven agricultural policies on a sound basis. In that regard, this bill may not be all that we would like, but at least I consider it to be a step in the right direction. Last week, on August 6, I voted to suspend the rules on the bill then under consideration. In doing so, it was my belief that unacceptable portions of the bill could be corrected in conference. In the bill now before us, some of these have either been worked out or improved. It is possible that the bill is acceptable in its present form with regard to cotton and rice. If not, that can be resolved in conference.

Cotton and rice are not raised in our area, and I am not familiar with the minute details of the existing law or its application. As to them and feed grains, however, at least there is a recognition in the bill, in the form presently before us, of the necessity to move away from Government controls and high price supports and to move in the direction of producing for the market and recognizing the forces of supply and demand. One of my principal regrets is that no provision is made in this bill with regard to wheat as I have requested of the House Agriculture Committee. Had this bill been presented under circumstances permitting amendment as I would have preferred, I would have offered an amendment to give the wheat farmers of the Nation a true choice through a referendum. In the next session, this should be done.

Wool, which is involved in this omnibus bill, is produced in substantial quantities in our area, and I am particularly familiar with the situation as pertains to that crop. It is sessential that the 1954 Wool Act, due to expire on March 31, 1959, be extended this year. This is not only in the best interests of the industry, but in the best interest of agriculture generally and the country as a whole.

Our problem with regard to wool is not the conventional agricultural problem of domestic surpluses, unrealistic prices, and allotments. This is really an import problem. We produce only about one-third of our peacetime requirements. Sugar is the only other major agricultural crop which we produce domestically in far less quantity than we consume. Wool is essential to the defense requirements and security of this country. With reduction of tariffs, domestic production by 1954 had declined almost



50 percent from the production at the beginning of World War II. The American wool producers simply could not compete with cheap wages, lower taxes, and other lower costs of production abroad. The 1954 Wool Act which we would extend provides for incentive payment to the grower, paid from duties collected on imported wool. I personally think that we should have an import quota and an increase in tariff. As a minimum, though, we must at least have an extension of this act. I think this is generally recognized and know of no substantial opposition to it. I think it is unfortunate that the extension of the Wool Act has become involved in this omnibus legislation, for it is essential that the act be extended this year. Realizing this, I introduced legislation to extend it on August 29, 1957.

The reason that we must have an extension this year, rather than wait until next year, is quite simple. If the act is not extended now, it will create uncertainty. This would have a serious adverse effect upon agriculture in general, the taxpayer, and the country. One of the effects of the uncertainty would quite possibly be to unrealistically lower prices. The effect would be to increase the incentive payment for the current year's program. This would jeopardize special revenues available to take care of the program, and could very conceivably require taxpayers' money, on a temporary basis, to correct our failure to act and get the program back on the track.

There are many other bad effects that would flow from our failure to extend the act this year, but one of the most serious stemming from the uncertainty would be certain shifts in production. This industry requires substantial prior planning. We would be faced with heavy marketing of ewe lambs and breeding stock and a reduction in flocks. Land taken out of the production of sheep would be either used to produce other livestock or farm crops. This would either create dislocations in other products or add to our agricultural surpluses. This would only compound the agricultural program and add to the cost to the taxpayer.

To prevent all this and more, too, it is essential that the act be extended this year. I urge my colleagues to vote for suspension of the rules on this legislation.

(Mr. GROSS and Mr. CHENOWETH (at the request of Mr. H. CARL ANDERSEN) was given permission to extend his remarks at this point in the RECORD.)

Mr. GROSS. Mr. Speaker, I support this so-called farm bill only because it is this or nothing, and there are certain provisions, including the protection for wool, that must be enacted.

However, I am unalterably opposed to any figure of less than 90 percent of parity for basic agricultural commodities. I predict this bill will ultimately contribute to lower livestock prices and deterioration of economic conditions for midwestern farmers.

It is an almost intolerable situation when legislation with the ramifications of this bill is considered under a suspension of the rules which prohibits amendment except by the committee handling

the bill and debate is limited to 40 minutes. Moreover, there is not even available the usual printed bill.

I reiterate that I support this legislation only because there is no alternative at this late date, but I also reiterate that this procedure and hastily evolved legislation is an injustice to American farmers.

Mr. CHENOWETH. Mr. Speaker, I rise in support of S. 4071. I am happy to see this bill before the House today. I commend the House leadership, on both sides of the aisle, and the members of the Committee on Agriculture for working out the provisions of this measure.

This bill provides for the extension of the National Wool Act of 1954. I have been receiving a large number of wires and letters urging the extension of this program. This is a matter of great concern to the woolgrowers of Colorado. While the present law does not expire until next year there is a strong demand to have the act extended at this session. This will make it possible for plans to be made for the marketing of the 1959 wool crop. I am sure that the extension of 4 years, as contained in this bill, will receive the enthusiastic approval of woolgrowers of this country.

Mr. Speaker, I want to particularly commend my colleague from Colorado [Mr. HILL] for the part he has played in making this legislation possible. As the ranking minority member of the House Committee on Agriculture I know that he worked diligently to reach an agreement on a farm bill which would have the approval of this House. I was happy to see the gentleman from Mississippi [Mr. ABERNETHY] comment on his service in this body. BILL HILL has made a most valuable contribution to sound farm legislation over the years. We are sorry to see him retire from Congress and wish him success in his plans for the future.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Speaker, I want to ask a question or two of the chairman or some member of the committee. No. 1, the 65 percent of parity on corn, is that a floor or a ceiling?

Mr. COOLEY. It is a floor.

Mr. MILLER of Nebraska. It may go higher?

Mr. COOLEY. Yes, sir.

Mr. MILLER of Nebraska. No. 2: Is the wool section in this bill also in the bill from the Senate?

Mr. COOLEY. It is in both bills. But there is some difference which we will have to reconcile.

Mr. MILLER of Nebraska. We may expect that it will be in the bill when it comes back from conference?

Mr. COOLEY. Yes, sir.

Mr. MILLER of Nebraska. No. 3: Is there any provision for the extension of Public Law 480? We passed a bill that is still in conference, providing for the extension of Public Law 480. Is it contemplated that we may have some extension of that in this bill?

Mr. COOLEY. No. It is contemplated that we will have a separate con-

ference on Public Law 480 immediately following the disposition of this bill.

Mr. MILLER of Nebraska. I hope the Congress will adopt the provisions of the 480 law. This law is needed. I also understand the corn grower will have the right to vote on keeping the present program of higher support prices and rigid controls or the lower parity price and no acreage controls. I further understand that other feed grains will have a floor of about 7 to 8 percent less than the floor under corn.

I must warn my colleagues that if this bill brings lower and lower prices for feed grains that live stock prices will be brought down in price.

Legislation is always a result of reasonable men working out their differences. I trust that will be done in conference.

Mr. H. CARL ANDERSEN. Mr. Speaker, I yield the balance of my time to the gentleman from Iowa [Mr. HOEVEN].

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Speaker, this is the third and the latest revision of an omnibus farm bill. It is not all we hoped for but it is the best we can get. Most legislation is the result of compromise and this is a compromise bill.

I know there are Members of this House that are not satisfied with the bill for one reason or another but I appeal to you as reasonable men and women who are willing to face the facts of life as they present themselves in this fast-moving world.

It does not take an expert to convince the people of this country and the Members of this House that the once very potent farm bloc is no more. The consumer groups have to be reckoned with today and hence it is incumbent upon us to present a workable bill which will meet with the approval not only of the farmers of this country but of the consumers as well.

In reality, what you have before you today is what, in my humble judgment, would have been contained in a conference report on the omnibus bill defeated a few days ago. I said then that we were fussing about 3 cents a pound on cotton, and that that matter could be adjusted in conference. We have ironed it out in this bill, so the price of cotton is going to be about 27.8 cents a pound, or about 65 percent of parity.

Thus the bill before us ultimately provides for 65 percent of parity for cotton, 65 percent of parity for rice, 65 percent of parity for corn, and 65 percent of parity for tung nuts. So there is fairness and uniformity in the treatment of the commodities as to the level of price supports.

On corn, in which I am particularly interested, the Senate bill provided for a floor of \$1.10 a bushel, on corn. The House bill provided for \$1.18 a bushel. This bill provides for 65-percent parity for corn which amounts to about \$1.144 a bushel, without acreage allotments or controls.

We are also retaining the referendum provision in the bill. The gentleman



from Minnesota regrets that the farmers cannot work their will in such referendum.

The **SPEAKER**. The time of the gentleman from Iowa has expired.

Mr. **COOLEY**. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa.

Mr. **HOEVEN**. The corn farmer in the referendum will have an opportunity in the commercial corn area to decide between two propositions. One is the present law, the Agricultural Acts of 1938 and 1949 as amended, which provides for 75 to 90 percent of parity with acreage allotments and controls; the alternative proposal is the proposal incorporated in the bill now under consideration which provides for no acreage allotments or controls and 65 percent parity floor for corn.

Let me also say that the bill under consideration retains the modernized parity formula. Continuation of the present parity formula is not provided for in the Senate bill. It is my hope that the Senate will accept the House bill and that it will not be necessary to take it to conference.

If the bill goes to conference I am sure the conferees on the part of the House will vote to sustain the House position on this measure. In closing let me say that this is the last chance we will have to enact farm legislation at this session of the Congress.

Mr. **CHELF**. Mr. Speaker, will the gentleman yield?

Mr. **HOEVEN**. I yield to the gentleman from Kentucky.

Mr. **CHELF**. I agree with the gentleman. I would like to see a much better bill for our farmers. I have fought Mr. Benson as long and as hard as any Member because he just simply does not—in my opinion—understand our little farmers' problems. However, we must be realistic—these are the closing hours of the session, when the legislative sands are running out. This is not only the best bill we can get, it is all we can get, is it not?

Mr. **HOEVEN**. There is no question about that. This is the best bill we can possibly enact into law before Congress adjourns.

Mr. **COOLEY**. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. **ABERNETHY**].

Mr. **ABERNETHY**. Mr. Speaker, any piece of major legislation is the result of sensible men getting together at the table of compromise. The Department of Agriculture, leaders of the Congress, the Republican leadership, the Democratic leadership, and members of the Agriculture Committee, both Democrats and Republicans, have pulled their chairs to the table of compromise and have talked this problem over as reasonable men. They have reached an agreement. Having done so I cannot picture the House turning it down today.

I know how my friend, the gentleman from Missouri [Mr. **CHRISTOPHER**] and my friend, the gentleman from Iowa [Mr. **COAD**], and my friend the gentleman from Minnesota [Mr. **H. CARL ANDERSEN**] might feel. But with all deference and with no criticism of their remarks, this has not been a sellout to anyone. It is not a sellout to the Dem-

ocrats or to the Republicans. It is not a sellout to Mr. Benson, to Mr. Eisenhower, to the Speaker, or Mr. Martin, or to Mr. Cooley or Mr. Hill. It is a sensible agreeable approach to a difficult problem.

As for the corn provision about which my friends, the gentlemen from Iowa, Missouri, and Minnesota have complained, a new program for corn is not being forced upon anyone. If the gentlemen who have complained and their farmers would prefer to stay with the present program, their farmers may so indicate by simply expressing themselves in the referendum as provided for in the bill. If they would prefer to go with the new alternative included in this bill, their farmers may so express themselves in the referendum. It is left entirely to the farmers. What would be fairer than that? Mr. Benson has claimed it is better for farmers to go to lower supports and have higher production. The other side of the issue presented by these three gentlemen I have named claim it is better for farmers to continue controlled production and at higher supports. Each side claims to know what the farmer wants. Actually, no one knows. No one in this House actually knows. But, after the fall season has passed, and they have had an opportunity of expressing themselves in a referendum, we will know. They, the farmers themselves, will have made the decision in the referendum. What could be a fairer method of arriving at it? We will then know where they stand and they will have exactly what they have voted for.

Mr. Speaker, I am pleased to join with my colleagues in bringing to the House a farm bill which I believe to be a tremendous improvement over that which passed the other body.

This bill save the concept of parity. Parity was adopted a quarter century ago as the yardstick by which the farmer could determine whether or not he was being dealt with fairly. The parity concept and the parity formula are generally accepted by the public.

In spite of all of the objections advanced by the Secretary of Agriculture against some of our farm programs, he has never complained or criticized the concept of parity. To my knowledge no Member of this body has ever complained about such; and none complain about it now.

Secretary of Agriculture Benson has never recommended that the Congress junk the parity concept. In the many farm messages sent to the Congress by the President, he had never sought repeal of the parity concept. Both the President and the Secretary have advocated a lowering of price supports but with each recommendation they have urged that support prices be based on parity and not on some untried formula.

Some time ago an idea was advanced in Canada that price supports be based on a percentage of the average market price for a given number of years next preceding the year in which the commodity was produced and offered for market. It got into the papers and some few people in the United States,

with a desire to come up with something new, hopped on it with the idea that it was the answer to the farmers' prayer. Until now not one single farmer from my district or State has asked me to support any such formula. In fact, I do not recall that any farmer from any part of the Nation has made such a request of our committee.

Now, with no farmers having urged Congress to junk the concept of parity, with the Secretary not having urged such and with the President himself not having urged us to do so, why should we do it? What sensible reason is there for so doing?

The President and the Secretary have urged Congress to give them the discretionary authority to support farm prices on a flexible scale from 60 to 90 percent of parity, not 60 to 90 percent or any other percentage of what farmers can obtain for their products in the market place as was incorporated in the bill by the other body. Of what advantage would there be to farmers to fix price supports at 90 percent of what they can secure for their products in the market place? What farmer would sell his crops to the Federal Government at 90 percent of what he can get for them in the market? With all deference to those who have advanced this new idea of price support and without questioning their sincerity, to adopt such a program would be the equivalent of having no price-support program at all. Under such, the manipulators of the markets could, after a few years, wipe out any safe level of price supports and, on so doing, farmers would be left at the mercy of those who are powerful enough to manipulate the markets.

Aside from the retention of the concept of parity, there is only one main difference in the House bill and that which passed the other body as the bills relate to cotton. The Senate bill provided for a 30-cents-per-pound minimum price for cotton based on inch middling. The original House bill provided for a minimum of 32.81 cents per pound. We have agreed to drop the 32.81-cent minimum and have fixed same at a minimum of 65 percent of parity, which by the time we reach said minimum in 1962 will be the equivalent of the Senate minimum. We believe this to be a marked improvement. As parity goes up by virtue of increased cost of production or as inflation progresses, the minimum price support will advance accordingly. To freeze the minimum at a flat dollars-and-cents figure would force the farmer to absorb such inflation as might be visited upon the country and would not take into account the increased cost of production.

As to cotton, the House bill retains the same minimum national allotment of 16 million acres, the same minimum farm allotment of 10 acres or the highest planted, whichever is the lowest, and the same choice plan of permitting farmers in 1959 and 1960 to increase their plantings up to 40 percent of their allotments by taking a reduction of 15 parity points in price support. However, we did on the latter give the Secretary some discretion on the 40-percent increase, authorizing him to reduce same if in his



judgment the 40 percent would result in overproduction, which would be highly probable under the provision as approved by the other body.

The rice provisions remain identical with those of the House bill and so do the corn provisions except that we have reduced the \$1.18 minimum support price per bushel to that of 65 percent of parity which as of now amounts to about \$1.14.

It is my feeling, Mr. Speaker, that this is a much improved bill; that it is better for all concerned—for the farmer, the trade, the Government, and the people.

I trust it will be adopted by an overwhelming vote.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Speaker, first of all, I should like to take this opportunity to congratulate my good friend, the gentleman from Minnesota [Mr. H. CARL ANDERSEN] for the wonderful manner in which he represents his constituents. I know he is interested in getting the most for them. As a city person, and I would like to direct my remarks to city people on both sides of the aisle, it is my philosophy that farm legislation is not a one-way street and that we must travel the road on a two-way basis. If we do something for the farmers, we expect the farmers to do something for us, too, such as, housing legislation and other necessary measures. I am going to support this bill and I am going to ask my city friends on both sides of the aisle to support this bill, because I think the farmers of America are entitled to adequate farm legislation. To deny them that right would not be real Americanism in my book. I also want to say that city people should support this legislation for the simple reason that on my committee there are men like the chairman, the gentleman from North Carolina [Mr. COOLEY], and many others, who have time and time again supported legislation of benefit to us in the cities.

I am hopeful that we will have a housing bill, but for the time being I am not going to deny the farmers of America their right to legislation.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and the Chair announced that in the opinion of the Chair, two-thirds had voted in the affirmative.

Mr. RABAUT and Mr. COAD asked for the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

#### RETURN OF BILL TO SENATE

The SPEAKER laid before the House the following communication which was read by the Clerk:

IN THE SENATE OF THE UNITED STATES,

August 13, 1958.

*Ordered*, That the House of Representatives be requested to return to the Senate the bill, S. 3843, to regulate the practice of physical therapy by registered physical therapists in the District of Columbia.

The SPEAKER. Without objection the request will be granted.

There was no objection.

#### EXCISE TAX TECHNICAL CHANGES ACT OF 1958

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H. R. 7125) to make technical changes in the Federal excise tax laws, and for other purposes, and ask unanimous consent that the statement of the Managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of August 13, 1958.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. REED], the gentleman from Pennsylvania [Mr. SIMPSON], and I may be permitted to extend our remarks at this point in the RECORD and that other Members desiring to do so may have a like privilege.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the consideration which we today give the conference report on H. R. 7125, the Excise Tax Technical Changes Act of 1958, marks the culmination of 2½ years of intensive thought, study, and plain hard work on behalf of the Committee on Ways and Means, especially its Subcommittee on Excise Taxation. This effort has been devoted to what has often been described as the orphan of the internal revenue taxes of the United States. I speak of course of those provisions of the Internal Revenue Code which relate to excise taxes.

The bill H. R. 7125 is chiefly the product of the work of the Subcommittee on Excise Taxation of the Committee on Ways and Means, which has been ably chaired by the gentleman from Rhode Island, my colleague, the Honorable ARME J. FORAND. In his endeavors he has been ably assisted, advised, and counseled by the members of his subcommittee. It is my honor to name them and thank them, not only on behalf of the members of the Committee on Ways and Means but on behalf of the whole House as well. They are: the gentleman from Pennsylvania, the Honorable HERMAN P.

EBERHARTER; the gentleman from New York, the Honorable EUGENE J. KEOGH; the gentleman from Missouri, the Honorable FRANK M. KARSTEN; the gentleman from Florida, the Honorable A. S. HERLONG; the gentleman from Ohio, the Honorable THOMAS A. JENKINS; the gentleman from Illinois, the Honorable NOAH M. MASON; and the gentleman from Washington, the Honorable HAL HOLMES.

Before discussing the Senate amendments and the action of the conferees with respect thereto, I would like to recall briefly for the House the scope of the bill. The bill is divided into two titles. Title I contains the first overall technical revision of the general excise tax provisions undertaken since 1932, the year in which a great many of these provisions were first adopted. In addition to numerous changes in virtually all classes of the manufacturers' excise taxes, the bill contains the complete rewrite of the provisions relating to the communications and documentary stamp taxes, and the all-important credit and refund provisions.

Title II of the bill represents the first overall review of the provisions relating to the taxes on distilled spirits, wines, and beer undertaken since the 1890's. The provisions relating to the taxes on tobacco products and firearms have been extensively revised as well. Title II provides a general technical revision of the distilled spirits provisions and also the occupational tax provisions relating to wholesale and retail dealers in alcoholic beverages. The provisions relating to wines, beer, and tobacco products are also generally revised by the title, although considerable work was done with respect to these provisions in connection with the enactment of the Internal Revenue Code of 1954.

Proceeding to the Senate amendments and the action of the conferees thereon, let me first state that the great majority of the Senate amendments made no more than technical, clerical, clarifying, or conforming changes in the bill as it passed the House. Most of these changes were made necessary by the lapse of time and changes to conform the bill to the Tax Rate Extension Act of 1958, which, as Members of the House will recall, repealed the taxes on the transportation of property, coal, and oil by pipeline. In the case of amendments of this class with respect to Senate amendments which are technical, clerical, clarifying, or conforming, the House either recedes or recedes with amendments made necessary to perfect the bill, or the Senate recedes in order to conform to other action agreed to by the committee of conference.

In addition to the technical amendments just discussed, the Senate amended the bill substantively in several respects. It is now my purpose to discuss these several substantive amendments. The first substantive amendment has to do with the exemption provided by the bill as it passed the House for nonprofit educational organizations in the case of the manufacturers, retailers, communications, and transportation











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued August 18, 1958  
For actions of Aug. 15 and 16, 1958  
85th-2d, Nos. 141  
and 142

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HIGHLIGHTS: Senate passed supplemental appropriation bill. Senate conferees were appointed on farm bill. House passed area redevelopment bill. House agreed to conference report on bill prohibiting onion futures trading. House committee reported bill to require State contributions to disaster relief. Senate committee rejected dairy export bill. Senate committee reported debt-limit increase bill.



SENATE - August 15

1. SUPPLEMENTAL APPROPRIATION BILL, 1959. Passed with amendments this bill, H. R. 13450. pp. 16305-11, 16431-54, 16457-73 (See Digest 140 for USDA items.)  
Agreed to an amendment by Sen. Neuberger (for himself and others) to add an item of \$100,000, to remain available until expended, for the Outdoor Recreation Review Commission. pp. 16442-3  
Sen. Cooper inserted his statement favoring the emergency conservation measures program. pp. 16469-60  
Sen. Mundt inserted the committee's statement on reduction of personnel, and he and Sen. Dworshak commended the statement. pp. 16470-3
2. FARM PROGRAM. Sens. Ellender, Johnston, Eastland, Humphrey, Aiken, Young, and Thyne were appointed conferees on S. 4071, the farm bill. The text of the bill, as passed by the House, was printed in the Record. pp. 16314-17
3. DAIRY EXPORTS. The Agriculture and Forestry Committee voted to disapprove S. 4013, to provide for an export program for dairy products. p. D857
4. WATERSHED PROJECTS. The Agriculture and Forestry Committee approved the following watershed projects: Busseron Creek, Ind.; Crooked Creek, Iowa; and Furnace Brook-Middle River, Conn. and Mass. p. D857
5. FOOD ADDITIVES. The Labor and Public Welfare Committee ordered reported with amendments H. R. 13254, to regulate food additives. p. D857
6. DEBT LIMIT. The Finance Committee reported with amendments H. R. 13580, to increase the debt limit. As reported, the bill would (1) set the permanent limit at \$283 billion and (2) set the temporary limit at \$288 billion until June 30, 1959, at which time it would revert to the permanent limit. (S. Rept. 2389) p. 16263  
Sen. Symington recommended that the Treasury announce its long-term borrowing programs and that public needs have a higher priority than economy in expenditures. p. 16281
7. FORESTRY; LAND UTILIZATION. The Agriculture and Forestry Committee reported without amendment H. R. 8481, to extend title IV of the Agricultural Act of 1956, relating to forestry, to Hawaii (S. Rept. 2415), and H. R. 12494, to authorize this Department, in selling or agreeing to the sale of lands to N. C., to permit the State to sell or exchange such lands for private purposes (S. Rept. 2416). pp. 16263-4
8. RIVER BASINS. Passed without amendment S. 4266, to establish the U. S. Study Commission on the Neches, Trinity, Brazos, Colorado, Guadalupe-San Antonio, Nueces, and San Jacinto River Basins and intervening areas. pp. 16284-6, 16262  
Passed as reported S. 4192, to authorize modification of the comprehensive plan of improvement for the Trinity River basin, Tex. pp. 16286-7
9. RECLAMATION. Passed as reported S. 3648, to authorize construction and operation of the Navaho Indian irrigation project. pp. 16287-91  
Passed as reported S. 1887, to authorize construction of the San Luis Unit of the Central Valley project, Calif. pp. 16291-303
10. TAXES. Agreed to the conference reports on H. R. 7125 and H. R. 8381, to make technical changes in the tax laws. The House agreed to the report on H. R. 8381. These bills will now be sent to the President. pp. 16322, 16311-3
11. SOCIAL SECURITY. Began debate on H. R. 13549, to increase the benefits under the Social Security Act. pp. 16473-83



12. AREA REDEVELOPMENT. Passed with amendments, 176 to 130, S. 3683, to establish an effective program to alleviate conditions of substantial unemployment in economically depressed areas. (pp. 16342-408) Rejected, 79 to 106, an amendment, in the nature of a substitute for the bill, by Rep. Fenton. Rep. Fenton explained that his proposed substitute amendment was the same as his bill H. R. 5468, "which I introduced for the administration on February 28, 1957". (pp. 16389-94) Rejected, 170 to 188, a motion by Rep. Hiestand to recommit the bill to the Banking and Currency Committee. (p. 16408)
13. ONION FUTURES. Agreed to the conference report on H. R. 376, to prohibit trading in onion futures. This bill will now be sent to the President. p. 16335
14. DISASTER LOANS. The Agriculture Committee reported with amendment S. 304, to provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas (H. Rept. 2650). p. 16429
15. CROP INSURANCE. The Agriculture Committee reported with amendment H. R. 13262, to eliminate the prohibition against crop insurance being made available to certain counties which do not have wide participation in the program (H. Rept. 2646). p. 16429
16. FORESTRY. The Agriculture Committee reported without amendment S. 3741, to provide regular national forest status to most lands under the jurisdiction of the Forest Service (H. Rept. 2638). p. 16429
17. RESEARCH. The Interstate and Foreign Commerce Committee reported with amendment S. 4039, to authorize the head of any Government agency now making contracts for research to grant funds for the support of such research (H. Rept. 2640), and H. R. 11257, to make various amendments regarding administration of the National Science Foundation (H. Rept. 2642). p. 16429
18. MILITARY CONSTRUCTION. Conferees were appointed on H. R. 13489, military construction appropriation bill for 1959. p. 16320
19. PALM OIL; TAXATION. Passed as reported H. R. 10239, to amend the Internal Revenue Code of 1954 so as to exempt palm oils from tax during the first domestic processing until June 30, 1960. p. 16332
20. BUTTER; CHEESE. Passed as reported S. 2006, to amend the Internal Revenue Code of 1954 so as to relieve the Surgeon General of the Army and Navy from sitting with the Secretary of Agriculture on appeals boards to decide appeals from the decision of the Secretary of the Treasury on cases involving deleterious substances in butter or oleomargarine or in any substance used in the manufacture of so-called filled cheese. pp. 16332-3
21. WATER RESOURCES. Passed as reported S. 4021, to establish the U. S. Study Commission on the Savannah, Altamaha, St. Marys, Apalachicola-Chattahoochee, and Perdido-Escambia River Basins. The House amendment replaces the Alabama-Coosa River Basin with the Perdido-Escambia River Basin. pp. 16335-7
22. FARM PROGRAM. Rep. Hoffman objected to Rep. Cooley's request for unanimous consent to agree to Senate's request for a conference on S. 4071, the farm bill. p. 16410



23. MINERALS. The Rules Committee reported a resolution for consideration of S. 4036, to provide production payments to stabilize the production of certain minerals. pp. 16411-2, 16429
24. EDUCATION. The Education and Labor Committee reported without amendment H. R. 13241, to provide assistance to the States for area vocational education programs (H. Rept. 2649). p. 16429
25. RECLAMATION. The Rules Committee reported a resolution for consideration of H. R. 13523, to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas reclamation project. pp. 16412, 16429
26. PERSONNEL. Conferees were appointed on S. 25, to specify the effective date upon which changes in pay of wage-board employees shall begin following the start of a survey. Senate conferees have been appointed. p. 16412  
Conferees were appointed on H. R. 7710, to provide for the lump sum payment of all accumulated and accrued annual leave of deceased employees. Senate conferees have not been appointed. p. 16412
27. SMALL BUSINESS. Passed without amendment S. 3224, to improve opportunities for small business concerns to obtain a fair proportion of Government purchases and contracts. This bill will now be sent to the President. p. 16414
28. HOUSING. Rep. Hiestand inserted a summary of H. R. 13776, the proposed Housing Act of 1958. pp. 16414-5
29. PROPERTY; LEASES. The Government Operations Committee ordered reported S. 3142 to extend GSA authority to lease out Federal building sites until needed for construction purposes. p. D860  
The Government Operations Committee adopted a report, "Importation of Foreign Excess Property." p. D860
30. LEGISLATIVE PROGRAM. Rep. McCormack announced the following legislative program: Mon., Aug. 18: Consent Calendar; and the following under suspension of the rules: S. 4035, housing bill; H. R. 13067, food stamp bill; S. 4039, increased funds for research; and H. R. 13241, vocational education bill; Tues. and remainder of the week: Private Calendar; S. 1764, D. C. school lunch bill and S. 4036, minerals stabilization payments bill. pp. 16909-10
31. ADJOURNED until Mon., Aug. 18. p. 16428

SENATE - August 16

32. FARM PROGRAM. Agreed to a motion by Sen. Ellender requesting the House to return S. 4071, the farm bill, to the Senate for considering agreeing to the House amendments to the bill. Sens. Mundt and Thye criticized this action. pp. 16508, 16510-11
33. FOREIGN TRADE; SURPLUS COMMODITIES. Conferees were appointed on S. 3420, to extend Public Law 480. House conferees have not been appointed. pp. 16520-21
34. FORESTRY. Sen. Jackson criticized Federal timber sales policies, stating that "I am disappointed that the Forest Service has not met its timber sales goals, that "it is high time that the secretariat for the Department of Agriculture and the bureaucracy of the Budget Bureau to take off their blinders and look to the goals that must be achieved," and inserted tables on timber sales administration and management, and Forest Service appropriated funds for the past several years. pp. 16497-99



Amendment No. 221. This amendment related to reimbursement for moving expenses of employees of certain corporations organized to operate laboratories for the Atomic Energy Commission. This amendment was opposed by the Treasury and the House conferees were unwilling to accept it. The Senate conferees were, therefore, obliged to recede.

Amendment No. 225. This amendment was offered by Senator BUSH and provided for floor stock refunds of taxes paid on electric light bulbs by importers. Because of the reduction of the tax on electric light bulbs in 1954, the House conferees refused to accept this amendment and the Senate conferees were forced to recede.

Amendment No. 226. This amendment, which was offered by Senator WILLIAMS, was intended to close a loophole by preventing a regulated investment company from setting up tax-free dividends to its shareholders by the reduction of its earnings and profits account through capital losses. The House conferees agreed to the amendment with an amendment, making it apply to taxable years of regulated investment companies beginning after March 1, 1958.

Amendment No. 227. This amendment was offered by Senator WILLIAMS to prevent a United States citizen from avoiding the Federal estate and gift taxes by becoming a resident in a possession of the United States. It was agreed to by the House conferees, except it was not to apply to a resident of a possession of the United States who was not otherwise a citizen of the United States. The conferees in adopting this modification of the Senate amendment desired to give the matter of the taxation of residents of a possession who were not otherwise citizens of the United States further study.

Amendment No. 229. This amendment relates to the provisions of the bill dealing with small business. The House accepted all but two features of this amendment. One feature not accepted related to that part of the amendment extending the present accelerated methods of computing depreciation to used property with a \$50,000 limit. The House conferees did not go along with this amendment because of the complications involved and the fact that the recapture clause might result in undue hardship to many small businesses when the property was sold. The second modification relates to the 3-year net operating loss provided by this amendment. Under the Senate amendment the carryback of net operating losses to the third prior year was to be available only to the extent of a \$50,000 loss (\$100,000 in the case of a joint return). The House Conferees, however, believed that this carryback should not be limited and, therefore, the Senate conferees were forced to agree to a net operating loss to the third prior year without any limitation.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent to have printed at

this point in the RECORD a statement which clarifies certain language in the report of the Committee on Finance relating to collapsible corporations.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### H. R. 8381—COLLAPSIBLE CORPORATIONS

There appeared to be some misunderstanding of the language in the report of the Finance Committee relating to the amendment added by your committee dealing with collapsible corporations. This language concerned dealers in securities. Where a dealer holds stock in his investment account, the amendment added by your committee and accepted by the House treats such person, in determining whether the sale by him of such stock comes within the collapsible corporation provisions, in exactly the same manner as if he were not a dealer in stock or securities at all. Accordingly, it was considered desirable to clarify this matter in the statement of the managers on the part of the House by the following paragraph:

"It is the understanding of the conferees that, in applying the definition of subsection (e) assets, stock or securities held by a corporation (hereinafter referred to as 'Corporation A') shall not be considered subsection (e) assets merely because a more than 20 percent shareholder is a dealer in stock or securities, if such shareholder holds his Corporation A stock in his investment account (pursuant to section 1236 (a)). Therefore, the stock or securities held by Corporation A shall not be subsection (e) assets by reason of the more than 20 percent shareholder test unless, in the hands of such shareholder, the stock or securities held by Corporation A would, if held by such shareholder, constitute property gain from the sale of which would be considered ordinary income solely by reason of the application of section 341 as modified by this amendment."

#### STATUS OF BILLS BEFORE COMMITTEE ON FINANCE

Mr. JOHNSON of Texas. Mr. President, I should like to ask the distinguished Senator from Virginia about proposed legislation which is pending before his committee. Has the Committee on Finance concluded hearings on the debt limit bill?

Mr. BYRD. That bill was reported this afternoon.

Mr. JOHNSON of Texas. The Senator's committee has reported the debt limit bill?

Mr. BYRD. Yes.

Mr. JOHNSON of Texas. When will the Senator be ready to have that bill taken up?

Mr. BYRD. Whenever it suits the majority leader.

Mr. JOHNSON of Texas. What about the bill to extend the application of the Renegotiation Act?

Mr. BYRD. It will be acted on on Monday.

Mr. JOHNSON of Texas. The Finance Committee will act, on Monday, on the measure for extension of the Renegotiation Act; is that correct?

Mr. BYRD. Yes.

Mr. JOHNSON of Texas. I understand that the Finance Committee already has reported the bill dealing with the Social Security Act, and that the bill is on the calendar, and that copies of the bill and the report are available.

Mr. BYRD. Yes. The bill was reported by the Senator from Oklahoma [Mr. KERR].

Mr. JOHNSON of Texas. In short, the committee has reported the bill, and copies of the bill are available; is that correct?

Mr. BYRD. Yes.

Let me ask when it is desired to have the Senate take up the measure raising the debt limit?

Mr. JOHNSON of Texas. The Policy Committee has not yet discussed that matter. I wish to take it up with the Policy Committee, which will pass on it later.

Mr. President, I wish to congratulate the Senator from Virginia [Mr. BYRD] and his committee for what they have done. I have never known a committee to handle a greater volume of work with greater efficiency. So I certainly congratulate the chairman of the committee and the other members of the committee, and I appreciate very much, indeed, the excellent work they have done.

Mr. BYRD. I thank the Senator from Texas.

Mr. SPARKMAN. Mr. President, I was unable to obtain a copy of the conference report which was acted on by the Senate; I was told that the document room no longer had any copies of it. I did not hear all the distinguished Senator from Virginia said. I believe he said that the bill the committee had agreed upon—I refer to the bill relating to tax relief for small business—was added as an amendment. I understand that amendment was included in conference, and that the language of the amendment is substantially the language of the bill which was passed by the Senate.

Mr. BYRD. Only one change was made.

Mr. SPARKMAN. Yes; I said "substantially."

Mr. President, I wish to say to the Senator from Virginia that I am very grateful to him and to his committee for the fine work they have done in regard to tax relief for small business. Even though all the recommendations of the Select Committee on Small Business were not included, I believe that a substantial part of them were; and I am very glad that the Senate Finance Committee made those additions to the bill.

Mr. BYRD. I may say that the Finance Committee followed very closely the recommendations of the Senator from Alabama [Mr. SPARKMAN]; we adopted all the recommendations we could of those made by his committee.

Mr. SPARKMAN. I appreciate that very much. I hope the others will be included next year. One of them has to do with used equipment. That provision is important, because many small-business men cannot afford to buy new equipment. The other provision has to do with plowing back into inventory. I realize that there is another version of the latter provision, but I believe that the one the committee approved is the better of the two.

I certainly hope both of those provisions will be included by the Finance Committee next year.



Mr. MORSE. Mr. President, at this time I should like to state that, for some years, the Senate has been served in an exceedingly effective fashion by Mr. Colin F. Stam, the chief of staff of the Joint Committee on Internal Revenue Taxation. His services are typical of those of so many of the Senate staff members. Sometimes I think that, in our busy lives, we quite forget the ones who make it possible for Senators to do good jobs—if they do. Certainly, our effectiveness now and then is due to the fact that in our committees and in our offices we have a dedicated group of public servants who work behind the scenes, but who really are the ones who make the Senate function.

I wish to cite Mr. Colin Stam as an example of that kind of public servant.

I have taken to him a great many problems in regard to fiscal matters; but over the years I have not seen the slightest evidence on his part of any partisanship. I have not always agreed with his interpretations and judgments; but they have been honest ones, and that is all I ever ask of any public servant.

On July 29, 1958, I wrote to Mr. Stam, in behalf of a proposed amendment to House bill 1725, which would revise the Federal log-truck tax—a matter of vital concern to the log-truck operators in Oregon. In the letter, I presented a series of technical questions which called for considerable information. I wished him to supply it to me at a very early date—particularly the information in regard to the effects of the proposed amendment.

On August 8, 1958, I received a reply from Mr. Stam. The reply is characteristic of his thoroughness.

I ask unanimous consent that my letter and Mr. Stam's reply be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 29, 1958.

Mr. COLIN F. STAM,

Chief of Staff, Joint Committee on Internal Revenue Taxation, House Office Building, Washington, D. C.

DEAR MR. STAM: With regard to a proposed amendment to H. R. 1725 which would revise the Federal log-truck tax, I desire the following information:

1. How many taxed log trucks are taxed under existing Federal law in Oregon?

2. What is the tax revenue derived from them?

3. What percentage of Oregon's log trucks would be affected by the adoption of the proposed amendment?

4. What would the estimated savings to the individual taxpayer and the total effect on Federal revenue be if the amendment should be adopted?

5. Do you consider the administrative difficulties alluded to by the Treasury Department serious enough to give cause for concern?

I would appreciate an early reply so that I may have a reasonable opportunity to study this matter.

For your information the amendment I refer to is in the RECORD of July 22, 1958, at pages 13352-13354.

Sincerely yours,

WAYNE MORSE.

CONGRESS OF THE UNITED STATES,  
JOINT COMMITTEE ON INTERNAL  
REVENUE TAXATION,  
Washington, August 8, 1958.

Hon. WAYNE MORSE,  
United States Senate,  
Washington, D. C.

DEAR SENATOR MORSE: This is in reply to your letter of July 29, 1958, requesting information concerning the truck use tax.

The Internal Revenue Service does not have the data you desire concerning the number of log trucks taxed and the revenue derived from such trucks. The return form which is filed for the truck use tax (Form 2290) does not provide any information as to the use of the trucks, hence the Service cannot segregate returns covering log trucks.

We have learned the Oregon Public Utilities Commission collected some data on logging trucks, and, according to those tabulations, there were 3,100 logging trucks. This number does not include the general service and lumber trucks of the logging companies; the 3,100 trucks referred to are heavy trucks of the type used for logs.

We understand that these trucks would be subject to a truck use tax of \$90 per truck, so the total revenue would amount to \$279,000.

You asked what percentage of the log trucks would be affected by a proposed amendment to allow taxpayers to select the month in which the tax year for the truck use tax would begin, and you also asked about the effect of such amendment on individual taxpayers and the total effect on Federal revenues. We have been told that the Oregon log trucks generally operate for 8 or 9 months of any year. If this is true of all log trucks, then all would be affected by the amendment. If a certain truck is used only during the months of April through December, then under the proposal the taxpayer could select the calendar year as the tax year, and since the vehicle would not be put in use until April, the tax for the calendar year would be only \$67.50 instead of \$90. Thus, the tax saving for the truck owner is \$22.50.

We do not have comprehensive data on this utilization of the various types of trucks subject to the truck use tax, and, consequently, we cannot estimate the revenue effect of the proposed amendment. We believe that the administrative problems would be serious.

Under the Federal-Aid Highway Act of 1956, the Secretary of Commerce is required to report to the Congress not later than March 1, 1959, the results of a study and investigation of—

(1) the effects on design, construction, and maintenance of Federal-aid highways of (A) the use of vehicles of different dimensions, weights, and other specifications, and (B) the frequency of occurrences of such vehicles in the traffic stream,

(2) the proportionate share of the design, construction, and maintenance costs of the Federal-aid highways attributable to each class of persons using such highways, such proportionate share to be based on the effects referred to in paragraph (1) and the benefits derived from the use of such highways, and

(3) any direct and indirect benefits accruing to any class which derives benefits from Federal-aid highways, in addition to benefits from actual use of such highways, which are attributable to public expenditures for such highways.

It would seem advisable to delay action on any amendments to the truck use tax until the results of this study are available.

Sincerely yours,

COLIN F. STAM,  
Chief of Staff.

Mr. MORSE. In his letter, Mr. Stam pointed out that, under the Federal Aid Highway Act of 1956, the Secretary of Commerce is required to report to the Congress not later than March 1, 1959, the results of a study and investigation of this whole problem.

Mr. Stam concluded his letter by saying:

It would seem advisable to delay action on any amendments to the truck use tax until the results of this study are available.

Mr. President, I wish to say to the log-truck operators in Oregon that I believe Mr. Stam's advice is sound. I say to them that I am satisfied that that is also the advice of the members of the committee; and therefore I shall defer any further action on my part in regard to this matter until the Secretary of Commerce produces the result of his study and investigation—in March 1959.

But at this time, I wish publicly to thank Mr. Stam for the excellent cooperation he has always extended to my office.

#### MARKETING PROGRAMS FOR VARIOUS AGRICULTURAL COMMODITIES

The PRESIDING OFFICER (Mr. CHURCH in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities—which was, to, strike out all after the enacting clause and insert:

##### TITLE I—COTTON

##### Program for 1959 and 1960

SEC. 101. The Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 102. Notwithstanding any other provisions of law—

"(a) for each of the 1959 and 1960 crops of upland cotton the Secretary of Agriculture is authorized and directed to offer the operator of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, a choice of (A) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, and price support determined pursuant to section 101 of this act (the amount of cotton estimated to be produced on the additional acres allotted to producers selecting choice (B) for such year being taken into account in computing such support), except that for the 1959 crop the level of support shall be not less than 80 percent of parity, or (B) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, increased by not to exceed 40 percent (such increased acreage allotment to be the acreage allotment for the farm for all purposes) and price support at a level which is 15 percent of parity below the level of support established for producers who elect choice (A). Any person operating more than one farm, in order to be eligible for choice (B), must elect choice (B) for all farms for which he is operator. Not later than January 31 the Secretary shall determine and announce on the basis of his estimate of the supply percentage and the parity price as of the following August 1, the price support level for producers who elect choice (A) and choice (B) respectively, and such price support



levels shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative levels of price support and the alternative acreage allotments available for his farm. The operator of each farm shall, within the time prescribed by the Secretary, notify the county committee in writing whether he desires the increased acreage allotment and the level of price support prescribed in choice (B) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have chosen the acreage allotment and the price support level prescribed in choice (A). The choice elected by the operator shall apply to all the producers on the farm. Notwithstanding the foregoing provisions of this subsection, the Secretary may permit the operator of a farm for which choice (B) is in effect to change to choice (A) where conditions beyond the control of the farm operator, such as excessive rain, flood, or drought, prevented the planting of acreage to cotton or having cotton acreage available for harvest on the farm in accordance with the plans of such operator in selecting choice (B). The additional acreage required to be allotted to farms under this section shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm acreage allotments. Notwithstanding any other provision of law, no farm participating in any cotton acreage reserve program established for 1959 under the Soil Bank Act shall receive an increased acreage allotment under the provisions of this section for 1959. Notwithstanding the provisions of section 344 (m) (2) any farm cotton acreage allotment increased as the result of the selection of choice (B) may not be released and reapportioned to any other farm. Price support shall be made available under this paragraph only to cooperators and only if producers have not disapproved marketing quotas for the crop.

"(b) for each of the 1959 and 1960 crops of upland cotton, price support shall be made available to producers who elect choice (A) through a purchase program. Price support shall be made available to producers who elect choice (B) through loans, purchases, or other operations."

"(c) the Commodity Credit Corporation is directed, during the period beginning August 1, 1959, and ending July 31, 1961, to offer any upland cotton owned by it for sale for unrestricted use at not less than 10 percent above the current level of price support prescribed in choice (B)."

#### Price support for 1961 and subsequent years

SEC. 102. (a) The Agricultural Act of 1949, as amended, is amended by adding a new section 103 as follows:

"SEC. 103. Notwithstanding the provisions of section 101 of this act, price support to cooperators for each crop of upland cotton, beginning with the 1961 crop, for which producers have not disapproved marketing quotas shall be at such level not more than 90 percent of the parity price therefor nor less than the minimum level prescribed below as the Secretary determines appropriate after consideration of the factors specified in section 401 (b) of this act. For the 1961 crop the minimum level shall be 70 percent of the parity price therefor, and for each subsequent crop the minimum level shall be 65 percent of the parity price therefor. Price support in the case of noncooperators and in case marketing quotas are disapproved shall

be as provided in section 101 (d) (3) and (5)."

#### Acreage allotments and marketing quotas

SEC. 103. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 342 is amended by striking out the third sentence and by changing the period at the end of the second sentence to a colon and adding the following: "Provided, That beginning with the 1961 crop, the national marketing quota shall be not less than a number of bales equal to the estimated domestic consumption and estimated exports (less estimated imports) for the marketing year for which the quota is proclaimed, except that the Secretary shall make such adjustment in the amount of such quota as he determines necessary after taking into consideration the estimated stocks of cotton in the United States (including the qualities of such stocks) and stocks in foreign countries which would be available for the marketing year for which the quota is being proclaimed if no adjustment of such quota is made hereunder, to assure the maintenance of adequate but not excessive stocks in the United States to provide a continuous and stable supply of the different qualities of cotton needed in the United States and in foreign cotton consuming countries, and for purposes of national security; but the Secretary, in making such adjustments, may not reduce the national marketing quota for any year below (i) 1 million bales less than the estimated domestic consumption and estimated exports for the marketing year for which such quota is being proclaimed, or (ii) 10 million bales, whichever is larger."

(2) Section 342 is further amended by adding at the end thereof the following: "Notwithstanding any other provision of this act, the national marketing quota for upland cotton for 1959 and subsequent years shall be not less than the number of bales required to provide a national acreage allotment for each such year of 16 million acres."

(3) Section 347 (b) is amended by changing the period at the end of the second sentence to a colon and adding the following: "Provided, That beginning with the 1961 crop of extra long staple cotton, such national marketing quota shall be an amount equal to (1) the estimated domestic consumption plus exports for the marketing year which begins in the next calendar year, less (2) the estimated imports, plus (3) such additional number of bales, if any, as the Secretary determines is necessary to assure adequate working stocks in trade channels until cotton from the next crop becomes readily available without resort to Commodity Credit Corporation stocks."

(4) The second sentence of section 344 (a) is amended by striking the word "five" and substituting the word "four."

#### Minimum farm allotments

SEC. 104. (a) Section 344 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "Provided, That there is hereby established a national acreage reserve consisting of 310,000 acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be 1,000 acres). For the 1960 and succeeding crops of cotton, the needs of States (other than Nevada) for such additional acreage for such purpose may be estimated by the Secretary, after taking into consideration such needs as determined or estimated for the preceding crop of cotton and the size of the national acreage allotment for such

crop. The additional acreage so apportioned to the State shall be apportioned to the counties on the basis of the needs of the counties for such additional acreage for such purpose, and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 percent of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing provisions and under the last proviso in subsection (e) shall be determined or estimated as though allotments were first computed without regard to subsection (f) (1)."

(b) Section 344 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "Provided further, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined or estimated by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved under this subsection (f) (1), the acreage reserved under this subsection shall not be less than the smaller of (1) the remaining acreage so determined or estimated to be required for establishing minimum farm allotments or (2) 3 percent of the State acreage allotment; and the acreage which is required to be reserved under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 percent of the county allotment determined without regard to such additional acreages)."

(c) Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing paragraph (1) to read as follows:

"(1) Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) 10 acres; or (B) the acreage allotment established for the farm for the 1958 crop."

(d) The first sentence of section 344 (f) (6) of such act is amended to read as follows: "Notwithstanding the provisions of paragraph (2) of this subsection, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the remainder of the county acreage allotment (after making allotments as provided in paragraph (1) of this subsection) shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of his subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the 3 years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such 3-year period: *Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 percent of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection:



Provided further, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 percent limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein."

(e) The amendments made by this section shall be effective beginning with the 1959 crop.

SEC. 105. Effective beginning with the 1959 crop, section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph:

"(7) (A) In the event that any farm acreage allotment is less than that prescribed by paragraph (1), such acreage allotment shall be increased to the acreage prescribed by paragraph (1). The additional acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota.

"(B) Notwithstanding any other provision of law—

"(i) the acreage by which any farm acreage allotment for 1959 or any subsequent crop established under paragraph (1) exceeds the acreage which would have been allotted to such farm if its allotment had been computed on the basis of the same percentage factor applied to other farms in the county under paragraph (2), (6), or (8) shall not be taken into account in establishing the acreage allotment for such farm for any crop for which acreage is allotted to such farm under paragraph (2), (6), or (8); and acreage shall be allotted under paragraph (2), (6), or (8) to farms which did not receive 1958 crop allotments in excess of 10 acres if and only if the Secretary determines (after considering the allotments to other farms in the county for such crop compared with their 1958 allotments and other relevant factors) that equity and justice require the allotment of additional acreage to such farm under paragraph (2), (6), or (8),

"(ii) the acreage by which any county acreage allotment for 1959 or any subsequent crop is increased from the national or State reserve on the basis of its needs for additional acreage for establishing minimum farm allotments shall not be taken into account in establishing future county acreage allotments, and

"(iii) the additional acreage allotted pursuant to subparagraph (A) of this paragraph (7) shall not be taken into account in establishing future State, county, or farm acreage allotments."

#### Method of determining farm allotments

SEC. 106. Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph:

"(8) Notwithstanding the foregoing provisions of paragraphs (2) and (6) of this subsection, the Secretary may, if he determines that such action will facilitate the effective administration of the provisions of the act, provide for the county acreage allotment for the 1959 and succeeding crops of cotton, less the acreage reserved under paragraph (3) of this subsection, to be apportioned to farms on which cotton has been planted in any 1 of the 3 years immediately preceding the year for which such allotment is determined, on the basis of the farm acreage allotment for the year immediately preceding the year for which such apportionment is made, adjusted as may be necessary (1) for any change in the acreage of cropland available for the production of cotton, or (ii) to meet the requirements of any provision (other than those contained in paragraphs (2) and

(6)) with respect to the counting of acreage for history purposes."

#### Retention of surrendered acreage in county

SEC. 107. Paragraph (2) of section 344 (m) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end of the second sentence of such paragraph and inserting in lieu thereof the following: "; but no such acreage shall be surrendered to the State committee so long as any farmer receiving a cotton acreage allotment in such county desires additional cotton acreage."

#### Standard grade

SEC. 108. Section 3 (a) of the act of August 29, 1949, Public Law 272, 81st Congress, and the last sentence of section 403 of the Agricultural Act of 1949, as amended, as hereby repealed. This section shall become effective with the 1961 crop.

#### CCC sales restrictions

SEC. 109. Section 407 of the Agricultural Act of 1949, as amended, is amended by substituting a colon for the period at the end of the third sentence and adding at the end thereof the following: "Provided, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 percent above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use as the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended."

#### Cotton export program

SEC. 110. Nothing in this act shall be construed to affect or modify the provisions of section 203 of the Agricultural Act of 1956, and any cotton owned or acquired by the Commodity Credit Corporation under any price support program may be used for the purpose of carrying out the cotton export program provided for in section 203 of the Agricultural Act of 1956.

#### Split grades

SEC. 111. Section 403 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following sentence: "Beginning with the 1959 crop, in adjusting the support price for cotton on the basis of grade, the Secretary shall establish separate price support rates for split grades and for full grades substantially reflecting relative values."

#### TITLE II—CORN AND FEED GRAINS

##### Referendum

SEC. 201. Title I of the Agricultural Act of 1949, as amended, is further amended by adding at the end of such title the following:

"SEC. 104. (a) Not later than December 15, 1958, the Secretary shall conduct a referendum of producers of corn in 1958 in the commercial corn-producing area for 1958 to determine whether such producers favor a price support program as provided in subsection (b) of this section for the 1959 and subsequent crops in lieu of acreage allotments as provided in the Agricultural Adjustment Act of 1938, as amended, and price support as provided in section 101 of the Agricultural Act of 1949, as amended.

"(b) Notwithstanding any other provision of law, if less than a majority of the producers voting in the referendum conducted pursuant to subsection (a) hereof favor a price support program as provided in this subsection (b), the following provisions of law shall become inoperative:

#### "Discontinuance of acreage allotments on corn

"(1) The Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new section:

"SEC. 330. Notwithstanding any other provision of law, acreage allotments and a commercial corn-producing area shall not be established for the 1959 and subsequent crops of corn."

#### "Price support

"(2) The Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 105. (a) Notwithstanding the provisions of section 101 of this act, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 percent of the average price received by farmers during the 3 calendar years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect on such price of any abnormal quantities of low-grade corn marketed during any of such year: *Provided*, That the level of price support for any crop of corn shall not be less than 65 percent of the parity price therefor.

"(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401 (b) hereof."

"(3) Section 101 (d) (4) of the Agricultural Act of 1949, as amended, is repealed effective with the 1959 crop."

#### TITLE III—RICE

##### Minimum National and State acreage allotments

SEC. 301. Section 353 (c) (6) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "1957 and 1958" in each place it occurs therein, and inserting "1957 and subsequent years."

##### Price support

SEC. 302. (a) Section 101 (a) of the Agricultural Act of 1949, as amended, is amended, effective beginning with the 1959 crop—

(1) by striking out "wheat, and rice" and inserting "and wheat"; and

(2) by adding at the end thereof the following new paragraph: "For rice of the 1959 and 1960 crops, the level of support shall be not less than 75 percent of the parity price. For rice of the 1961 crop the level of support shall be not less than 70 percent of the parity price. For the 1962 and subsequent crops of rice the level of support shall be not less than 65 percent of the parity price."

#### TITLE IV—WOOL

SEC. 401. Section 703 of the National Wool Act of 1954 (68 Stat. 910) is amended by striking out "March 31, 1959" and inserting in lieu thereof "March 31, 1962."

SEC. 402. The first proviso in section 704 of such act (68 Stat. 911) is amended by striking out "specific" the first time it appears therein, and by striking out "(whether or not such specific duties are parts of compound rates)."

SEC. 403. The proviso in section 705 of such act (68 Stat. 911) is amended by striking out "specific" the first time it appears therein, and by striking out "(whether or not such specific duties are parts of compound rates)."

#### TITLE V—MISCELLANEOUS

SEC. 501. The Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 377 the following new section:



"SEC. 378. (a) Notwithstanding any other provision of this act, the allotment determined for any commodity for any land from which the owner is displaced because of acquisition of the land for any purpose, other than for the continued production of allotted crops, by any Federal, State, or other agency having the right of eminent domain shall be placed in an allotment pool and shall be available only for use in providing allotments for other farms owned by the owner so displaced. Upon application to the county committee, within 3 years after the date of such displacement, or 3 years after the enactment of this section, whichever period is longer, any owner so displaced shall be entitled to have established for other farms owned by him allotments which are comparable with allotments determined for other farms in the same area which are similar except for the past acreage of the commodity, taking into consideration the land, labor, and equipment available for the production of the commodity, crop-rotation practices, and the soil and other physical factors affecting the production of the commodity: *Provided*, That the acreage used to establish or increase the allotments for such farms shall be transferred from the pool and shall not exceed the allotment most recently established for the farm acquired from the applicant and placed in the pool. During the period of eligibility for the making of allotments under this section for a displaced owner, acreage allotments for the farm from which the owner was so displaced shall be established in accordance with the procedure applicable to other farms, and such allotments shall be considered to have been fully planted. After such allotment is made under this section, the proportionate part, or all, as the case may be, of the past acreage used in establishing the allotment most recently placed in the pool for the farm from which the owner was so displaced shall be transferred to and considered for the purposes of future State, county, and farm acreage allotments to have been planted on the farm to which allotment is made under this section. Except where paragraph (c) requires the transfer of allotment to another portion of the same farm, for the purpose of this section (1) that part of any farm from which the owner is so displaced and that part from which he is not so displaced shall be considered as separate farms; and (2) an owner who voluntarily relinquishes possession of the land subsequent to its acquisition by an agency having the right of eminent domain shall be considered as having been displaced because of such acquisition.

"(b) The provisions of this section shall not be applicable if (1) there is any marketing quota penalty due with respect to the marketing of the commodity from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (2) any of the commodity produced on such farm has not been accounted for as required by the Secretary; or (3) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of the commodity produced on or marketed from such farm or due to a false acreage report.

"(c) This section shall not be applicable, in the case of cotton, tobacco, and peanuts, to any farm from which the owner was displaced prior to 1950, in the case of wheat and corn, to any farm from which the owner was displaced prior to 1954, and in the case of rice, to any farm from which the owner was displaced prior to 1955. In any case where the cropland acquired for nonfarming purposes from an owner by an agency having the right of eminent domain represents less than 15 percent of the total cropland on the farm, the allotment attributable to that portion of the farm so acquired shall be trans-

ferred to that portion of the farm not so acquired.

"(d) Sections 313 (h), 334 (d), 344 (h), 353 (f), and 358 (h) of the Agricultural Adjustment Act of 1938, as amended, are repealed, but any transfer or reassignment of allotment heretofore made under the provisions of these sections shall remain in effect, and any displaced farm owner for whom an allotment has been established under such repealed sections shall not be eligible for additional allotment under subsection (a) of this section because of such displacement."

SEC. 502. Section 405 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "There is authorized to be included in the terms and conditions of any such nonrecourse loan a provision whereby on and after the maturity of the loan or any extension thereof Commodity Credit Corporation shall have the right to acquire title to the unredeemed collateral without obligation to pay for any market value which such collateral may have in excess of the loan indebtedness."

SEC. 503. Section 201 (b) of the Agricultural Act of 1949, as amended, is amended by changing the semicolon at the end thereof to a colon and adding the following: "*Provided*, That in any crop year in which the Secretary determines that the domestic production of tung oil will be less than the anticipated domestic demand for such oil, the price of tung nuts shall be supported at not less than 65 percent of the parity price therefor."

#### *Extend veterans and armed services milk program*

SEC. 504. (a) The first sentence of section 202 (a) of the Agricultural Act of 1949, as amended (7 U. S. C. 1446a), is amended by striking out "1958" and inserting in lieu thereof "1961."

(b) Subsection (b) of section 202 of the Agricultural Act of 1949 (7 U. S. C. 1446a) is amended by striking out "1958" and inserting in lieu thereof "1961", by striking out "of the Army, Navy, or Air Force, and as a part of the ration" and inserting in lieu thereof "(1) of the Army, Navy, Air Force, or Coast Guard, (2)", and by inserting before the period at the end of the first sentence of such subsection the following: ", and (3) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy."

SEC. 505. Commodity Credit Corporation is authorized, on such terms as the Secretary of Agriculture may approve, to donate cotton acquired through its price support operations to educational institutions for use in the training of students in the processing and manufacture of cotton into textiles.

Mr. ELLENDER. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. EASTLAND, Mr. HUMPHREY, Mr. AIKEN, Mr. YOUNG, and Mr. THYE the conferees on the part of the Senate.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 3368) to amend section 1870 of title 28, United States Code, to authorize the district courts to allow additional peremptory

challenges in civil cases to multiple plaintiffs as well as multiple defendants; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CELLER, Mr. WALTER, Mr. HOLTZMAN, Mr. KEATING, and Mr. CRAMER were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 13489) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SHEPPARD, Mr. SIKES, Mr. WHITTEN, Mr. CANNON, Mr. JONAS, Mr. LAIRD, and Mr. TABER were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 376) to amend the Commodity Exchange Act to prohibit trading in onion futures in commodity exchanges.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6239) to amend section 1461 and 1462 of title 18 of the United States Code.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H. R. 1633. An act for the relief of Jane Froman and Gypsy Markoff;

H. R. 5351. An act for the relief of Harlee M. Hansley;

H. R. 5411. An act to amend title II of the Social Security Act to provide that a widow or former wife divorced who loses mother's insurance benefits by remarriage may again become entitled if her husband dies within 1 year of such remarriage;

H. R. 7570. An act to amend section 403 of the Social Security Amendments of 1954 to provide social security coverage for certain employees of tax-exempt organizations which erroneously but in good faith failed to file the required waiver certificate in time to provide such coverage;

H. R. 7706. An act to entitle members of the Army, Navy, Air Force, or Marine Corps retired after 30 years' service to retired pay equal to 75 percent of the monthly basic pay authorized for the highest enlisted, warrant, or commissioned grade in which they served satisfactorily during World War I, and for other purposes;

H. R. 7866. An act to amend title 28, United States Code, relating to the Court of Customs and Patent Appeals;

H. R. 8599. An act to amend title II of the Social Security Act so as to provide that the exception from "wages" made by section 209 (i) of such act is not applicable to payments to employees of a State or a political



subdivision thereof for employment covered under voluntary agreements pursuant to section 218 of such act;

H. R. 8868. An act to remove the present \$1,000 limitation which prevents the settlement of certain claims arising out of the crash of an aircraft belonging to the United States at Worcester, Mass., on July 18, 1957;

H. R. 9673. An act to amend title 10, United States Code, to provide the conditions under which retired pay may be paid in the case of retired officers dropped from the rolls, and for other purposes;

H. R. 9932. An act to provide for the reconveyance of certain land of the United States to the State Board of Education of the State of Florida;

H. R. 11125. An act to provide for the conveyance of certain real property of the United States to the city of Valparaiso, Fla.;

H. R. 11346. An act to amend title II of the Social Security Act to include Massachusetts among the States which are permitted to divide their retirement systems into two parts so as to obtain social security coverage, under State agreement, for only those State and local employees who desire such coverage; and

H. R. 13559. An act to amend the War Orphans' Educational Assistance Act of 1956 to authorize the enrollment of a handicapped eligible person in a specialized course of vocational training.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 8134. An act for the relief of certain employees of the Department of the Air Force, Mobile Air Materiel Area; and

H. R. 10419. An act for the relief of North Counties Hydro-Electric Co.

#### ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 1168. An act to clarify the application of section 507 of the Classification Act

of 1949 with respect to the preservation of the rates of basic compensation of certain officers or employees in cases involving downgrading actions;

H. R. 1329. An act for the relief of Massman-Patti-Tanner and Mitchell;

H. R. 1339. An act for the relief of the Malowney Real Estate Co., Inc.;

H. R. 2062. An act for the relief of John F. Smith;

H. R. 2338. An act for the relief of the Security Feed & Seed Co.;

H. R. 2592. An act for the relief of Lucy Rolandone;

H. R. 3630. An act to amend the Veterans' Benefits Act of 1957 to provide that an additional aid and attendance allowance of \$150 per month shall be paid to certain severely service-connected disabled veterans during periods in which they are not hospitalized at Government expense;

H. R. 6773. An act for the relief of Bonifacio Santos;

H. R. 8002. An act to provide for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations;

H. R. 8249. An act to provide for the adjustment by the Secretary of the Army of the legislative jurisdiction exercised by the United States over lands within the Fort Custer Military Reservations, Mich.;

H. R. 8207. An act for the relief of Mrs. Margaret N. Meister;

H. R. 8905. An act for the relief of Hubert D. Thatcher, Robert R. Redston, Andrew E. Johnson, William L. Barber, Alex Kamkoff, and William S. Denisevich;

H. R. 9180. An act for the relief of Mr. and Mrs. John R. Hadnot;

H. R. 9197. An act for the relief of Mrs. Sumpter Smith;

H. R. 9627. An act to authorize the Secretary of the Interior to convey certain lands in Alaska to the city of Ketchikan, Alaska.

H. R. 9721. An act to amend section 1482 of title 10 of the United States Code to provide for the payment of transportation expenses of certain survivors of deceased servicemen to attend group burials in national cemeteries;

H. R. 9765. An act for the relief of Mr. Marion S. Symms;

H. R. 9740. An act to convey certain land to the Makah Tribe of Indians;

H. R. 9783. An act for the relief of Mrs. Henry Oscar (Olga McCurdy) Ramsey;

H. R. 10173. An act to provide for the transfer of title to certain land at Sand Island, T. H., to the Territory of Hawaii, and for other purposes;

H. R. 10515. An act for the relief of Harley D. Rucker;

H. R. 11133. An act to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the continental United States and Alaska, and for other purposes;

H. R. 11236. An act for the relief of Arthur G. Williams;

H. R. 12204. An act for the relief of Peter A. Beklemishev, Michael Linden, and Serge Oulassuk;

H. R. 12217. An act to amend paragraph (2) of subdivision (c) of section 77 of the Bankruptcy Act, as amended;

H. R. 12364. An act for the relief of Mrs. Viola Barksdale;

H. R. 12624. An act for the relief of Palmer-Bee Co.

H. R. 12942. An act for the relief of Walter H. Berry;

H. R. 12967. An act to amend the Fair Labor Standards Act of 1938 with respect to the frequency of review of minimum wage rates established for Puerto Rico and the Virgin Islands;

H. R. 13151. An act for the relief of Everett A. Ross;

H. R. 13170. An act to amend title 10, United States Code, to provide for a permanent professor of physical education at the United States Military Academy;

H. R. 13404. An act to amend section 404 (c) (1) of the Postal Field Service Compensation Act of 1955 to grant longevity credit for service performed in the Panama Canal Zone postal service; and

H. R. 13455. An act to amend the Atomic Energy Act of 1954, as amended.

(Senate proceedings continued after House proceedings of today's RECORD.)



unintended benefits and hardships and to make technical amendments, and for other purposes."

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 4071) entitled "An act to provide more effective price, production adjustment, and marketing programs for various agricultural commodities," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. EASTLAND, Mr. HUMPHREY, Mr. AIKEN, Mr. YOUNG, and Mr. THYE to be the conferees on the part of the Senate.

#### H. R. 11094—THE ANTIMILITARY WORKSHOP BILL

Mr. WILSON of California. Mr. Speaker, legislation was introduced during this session which has been termed the antimilitary workshop bill, H. R. 11094, by the gentleman from California, Congressman HIESTAND. The intent of this legislation is to remove certain military overhaul and repair work from Government-operated facilities and place it with private industry.

The effect of the bill can be disastrous. Under its terms military aviation could suffer a serious curtailment in its ability to carry out its assigned defense mission. There is no stronger advocate for the system of free enterprise than I. But when it comes to a question of penalizing the defense of our country in the manner dictated by the proposed legislation, then I, for one, say, "defense first."

#### POLICY INCLUDES PRIVATE INDUSTRY

The present policy of the Department of Defense provides that only such maintenance, overhaul, and modification of military aircraft and associated equipment as is necessary to insure the technical readiness of the strike and defense force required for national security shall be performed in military depots. This policy further directs that other maintenance and modification functions should be done contractually by private industry. In other words, the respective military branches are obligated and directed to perform only that work which is vital and essential to the security of the United States.

#### THE NAVY POSITION

To further emphasize these points, I wish to include herewith the text of a statement released by the Navy a few days ago. This release outlines the general policy of the Navy and Department of Defense:

Naval aircraft overhaul, repair, and modernization work is being performed on a substantial scale by private industrial concerns, Navy authorities stated today.

As a result of contracts let in 1957, more than one-fourth of Navy's total amount of these aircraft services will be performed by commercial sources in 1958. A like amount will be done in the fiscal year 1959, and the percentage is expected to reach one third in fiscal 1960.

In discussing problems connected with the letting of Navy overhaul and repair work to private industry, Rear Adm. Robert E. Dixon, Chief of the Bureau of Aeronautics, noted that the dispersal of first line combat

aircraft to scattered commercial shops could impair fleet readiness. Yet, he pointed out, Navy is warmly interested in taking advantage of private aircraft service shops to the greatest extent possible.

"This we are doing," Admiral Dixon said, "with the exception of first line carrier aircraft such as in the Sixth Fleet in the Mediterranean. Aircraft sent to commercial shops for reworking include basic commercial types such as the AEW Constellation, older combat aircraft, and aircraft of all types where Navy shops are overloaded with emergency demands."

In its contracting procedure, the Bureau of Aeronautics draws up a maintenance, overhaul, or modernization specification for which bid proposals are asked. In order to take advantage of a commercial concern's accumulated learning and experience with naval aircraft, contracts are let on a 3-year basis. Also, this time period precludes undue shifting of Government furnished equipment as would be the case if contracts were on shorter time scales. Last bids were accepted in 1957; the next bid proposals will go out in 1960.

One of the most successful commercial reworkings of naval aircraft involved the outfitting of patrol airplanes for Operation Deepfreeze in the Antarctic. Another was a progressive maintenance contract for 2,000 hour overhauls on transport aircraft such as the R4Y, the work being performed at commercial sources of skill and labor.

At least once annually, Navy reviews the entire maintenance and repair workload to determine whether Government or commercial shops can perform it to best advantage for fleet requirements.

Favorable action by the Congress on the Hiestand bill would affect the Navy operation far more severely than the other services. I am familiar with the Navy operation, since one of the Navy's largest overhaul and repair facilities is located in my district, at the Naval Air Station, North Island, San Diego, Calif.

#### OVERHAUL AND REPAIR DEPARTMENTS STRATEGICALLY LOCATED

Each of the Navy's nine major air stations is part of an aircraft operational complex, with the overhaul and repair department at the heart. Due to the strategic location of these facilities, the overhaul and repair departments are most sensitive and responsive to fleet operating command needs and especially to emergency requirements. The Navy has built its aeronautical support organization on flexibility, self-sufficiency, economy of operation, and immediate responsiveness to fleet needs and logistic support. Navy fleet forces are operated on the basis of mobility and self-sufficiency at sea, overseas, and in the continental United States. These forces must be able to deploy at a moment's notice, and dependency on immediate and direct local resources is a logistics requirement.

#### DIRECT FLEET SUPPORT MISSION

A major part of the overhaul and repair work accomplished at the air stations is in the area of direct fleet support. Most stations have a direct fleet support mission of nearly 40 percent with some stations running as high as 65 percent. To close the overhaul and repair department of one of these bases would create heavy burdens and increased operating costs to our fleet. The direct support mission is necessary to maintain a ready air arm in the Navy. Air-

craft aboard carriers must be overhauled and/or repaired and placed back on the ready line promptly and with the dispatch now existent in the overhaul and repair departments of our Naval Air Stations.

The direct fleet support mission cannot and must not be jeopardized by closing down the overhaul and repair departments.

#### SHORE DUTY ESSENTIAL

This legislation, if passed, would eliminate much of the important rotation and training of our sailors. Technical personnel must be assigned to shore duty not only to catch up on the latest technical developments but to allow them to spend a reasonable amount of time with their families. Certainly, the Hiestand bill would eliminate this possibility and would definitely be inconsistent with the Navy's efforts to provide a balanced rotation plan for military personnel.

#### CIVILIAN TALENTS IMPORTANT

The Navy considers the overhaul and repair facilities a vital part of their mobilization requirements. While it is true that these facilities could be mothballed, we cannot put away on a shelf the talents of the thousands of men and women who have gained the experience and the intricate technical know-how of our complicated aircraft and missiles and expect to have them ready in an emergency. To keep our fleet operating with a real striking potential, we must have not only the facilities but the power in being ready for any call. I am proud of the fine work the civilian specialists are performing in the Government facilities around the country. I am particularly proud of their work at the naval bases in my district.

It is just good business to keep these facilities operating as long as the fleet sails the seas.

#### LEGISLATIVE PROGRAM FOR WEEK OF AUGUST 18, 1958

(Mr. ARENDS asked and was given permission to address the House for 1 minute.)

Mr. ARENDS. Mr. Speaker, I take this time to ask the majority leader if he will kindly inform us as to the program beginning on Monday next.

Mr. McCORMACK. I will be very happy to.

On Monday, bills on the Consent Calendar will be called.

Then there are 35 suspensions to be considered, as follows:

S. 4035, renewal of housing and urban communities.

S. 3974, labor practices of labor organizations and employers.

S. 3502, Federal Airport Act.

H. R. 13067, food stamp plan.

House Concurrent Resolution 373, establish a force for United Nations.

H. R. 12640, convey piers, Philadelphia, Pa.

S. 3335, National Capital Center of the Performing Arts.

S. 3942, Azores, relief, aliens.

H. R. 13757, education, retarded children.

S. 4039, funds for science research.



S. 2119, television facilities in schools and colleges.

H. R. 13676, amend United States Code, espionage and censorship.

S. 3295, increase authorization fisheries loan.

S. 3653, training school, Immigration and Naturalization Service.

H. R. 13343, authorization appropriation, Pan American Games.

S. 1864, Patent Office, increase Board of Appeals.

H. R. 13241, vocational education.

H. R. 7166, technical amendments, Railroad Retirement Tax Act.

S. 4249, Hawaii, conservation Nene Geese.

S. 2719, fish, salmon, and halibut bounties.

S. 3712, appropriations for Roma Road, Nicaragua.

H. R. 13715, foreign service annuities.

S. 3680, participation, World Science-Pan Pacific Exposition.

House Joint Resolution 658, participation, California Trade Fair—International Exposition.

S. 4096, compensation, Board of Parole.

H. R. 12115, Bankruptcy Act, monetary limitation.

H. R. 13354, International Criminal Police Organization.

H. R. 11257, annual meeting, National Science Board.

S. 3694, sanitation facilities for Indians.

S. 2114, field sites, National Bureau of Standards.

House Joint Resolution 608, National Allergy Day.

Senate Joint Resolution 178, National Childrens Dental Health Week.

S. 1438, bonds of United States marshals.

S. 1985, authorizing plans for national air museum.

House Joint Resolution 686, Admiral Rickover Medal.

The last bill I am hoping we can pass by unanimous consent.

For Tuesday and the balance of the week as follows: The Private Calendar will be called on Tuesday. Tuesday is District Day, and there is one bill, S. 1764, the school-lunch program. The other bill programed for next week is S. 4036, minerals production bill.

Then there is the usual reservation that conference reports may be brought up at any time, and any further program will be announced later.

Mr. ARENDS. Let me say to the gentleman that on one occasion I saw a movie in which the character said, "It is going to be a bad day in Deep Rock." It is evident from the list here presented that it is going to be a bad day in Washington and a bad day for the country.

#### AGRICULTURAL ACT OF 1958

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities, with House amendments thereto, insist on the

House amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. HOFFMAN. I object, Mr. Speaker.

#### INSURANCE COVERAGE REQUIRED BY CABS FOR HIRE IN THE DISTRICT OF COLUMBIA

Mr. MULTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 13531) to amend the act of June 29, 1938, as amended, to increase the insurance coverage required to be carried by cabs for hire in the District of Columbia for the protection of passengers and others, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 3, after "That", insert "section 2 of."

Page 3, line 11, strike out all after, "obligations," down to and including line 16 and insert "The liability of an insurance company in any policy of insurance or of any indemnity company in a bond issued pursuant to this act shall, within the limits of coverage required by this act, become and be absolute for damages adjusted against the insured on account of injuries to or death of persons or damage to or destruction of property resulting from the insured's ownership, maintenance, or use of the motor vehicle or vehicles described in the said policy or bond."

Page 5, lines 17 and 18, strike out "less than \$100,000, or more than \$150,000" and insert "to exceed \$75,000."

Page 5, lines 23 and 24, strike out "less than \$100,000, or more than \$150,000" and insert "to exceed \$75,000."

Page 8, after line 8, insert:

"SEC. 3. Section 4 of the Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954 (68 Stat. 122; sec. 40-420, D. C. Code 1951 edition), is amended by striking the second sentence of said section and inserting in lieu thereof the following: 'Application for review of any such order or act shall be in writing and shall set out in detail the reasons for such review. Such application shall be filed with the Commissioners within 5 days after the issuance of the order or occurrence of the act in question.'"

Page 8, strike out lines 9 and 10 and insert:

"SEC. 4. (a) Section 7 of such act approved May 25, 1954 (D. C. Code),"

Page 8, line 12, after "'Nonresident.—'" insert "and by inserting immediately before the colon at the end of the first proviso the following: ', except that nothing contained in this proviso shall be construed to require the United States or the District of Columbia to file the undertaking hereby required.'"

Page 8, lines 13 and 14, strike out "of the Motor Vehicle Safety Responsibility Act of the District of Columbia" and insert "of such act approved May 25, 1954."

Page 9, after line 19, insert:

"SEC. 5. Subsection (b) of section 12 of such act, approved May 25, 1954 (sec. 40-428 (b), D. C. Code, 1951), is amended by inserting immediately after 'accident report' the following: ', or refuses or neglects to make such report.'"

Page 9, after line 19, insert:

"SEC. 6. Paragraph numbered (4) of section 18 of such act approved May 25, 1954 (sec. 40-434 (4), D. C. Code, 1951), is amended by inserting immediately after 'section 79' the following: 'of this act or part II of the Interstate Commerce Act.'"

Page 9, after line 19, insert:

"SEC. 7. Section 22 of such act approved May 25, 1954 (sec. 40-438, D. C. Code, 1951 edition), is amended by adding the following new subsection:

"(d) In any accident involving property of the United States or the District of Columbia, should it appear upon investigation by or on behalf of the United States or the District that a person involved in such accident may not be liable to the United States or the District for any damage resulting therefrom, such person may submit, and the appropriate United States official and the Commissioners are hereby authorized to give to him, a statement to such effect, and such statement may be in lieu of the release required by this section: *Provided*, That the United States and the Commissioners may withdraw such statement at any time if it should appear that the person to whom it was given may be liable to the United States or the District for damages arising out of such accident, and if such statement be withdrawn, the person to whom it was given shall be required to comply with the provisions of this act."

Page 9, after line 19, insert:

"SEC. 8. Section 24 of such act approved May 25, 1954 (sec. 40-440, D. C. Code, 1951), is amended by adding the following subsection:

"(e) The Commissioners may accept evidence of a payment to the driver or owner of a vehicle involved in any accident by any other person involved in such accident or by the insurance carrier of any other person involved in such accident on account of damage to property or bodily injury as a settlement agreement relieving such driver or owner from the security and suspension provisions of this article in respect to any possible claim by the person on whose behalf such payment has been made might have for property damage or bodily injury arising out of the accident. A payment to the insurance carrier of a driver or owner under the carrier's right of subrogation for the purposes of this article shall be considered the equivalent of a payment to such driver or owner."

Page 9, after line 19, insert:

"SEC. 9. Section 37 of such act approved May 25, 1954 (sec. 40-453, D. C. Code, 1951) is amended to read as follows:

"SEC. 37. Proof required upon certain convictions: (a) The license and registration of all vehicles registered in the name of any person who by a final order or judgment shall have forfeited any bond or collateral given to secure appearance for trial for a violation of any of the following provisions of law:

"(1) Operating a motor vehicle under the influence of any intoxicating liquor or narcotic drug;

"(2) Any homicide committed by means of a motor vehicle;

"(3) Leaving the scene of an accident in which the motor vehicle driven by him was involved and in which there is personal injury, without giving assistance or making known his identity and address and the identity and address of the owner of said vehicle;

"(4) Reckless driving involving personal injury;

"(5) Any felony in the commission of which a motor vehicle is used; or

"(6) A conviction of, or forfeiture of bail or collateral for an offense in any State which, if committed in the District of Columbia, would be one of the offenses listed











Aug. 16, 1958

HOUSE - August 15

12. AREA REDEVELOPMENT. Passed with amendments, 176 to 130, S. 3683, to establish an effective program to alleviate conditions of substantial unemployment in economically depressed areas. (pp. 16342-408) Rejected, 79 to 106, an amendment, in the nature of a substitute for the bill, by Rep. Fenton. Rep. Fenton explained that his proposed substitute amendment was the same as his bill H. R. 5468, "which I introduced for the administration on February 28, 1957". (pp. 16389-94) Rejected, 170 to 188, a motion by Rep. Hiestand to recommit the bill to the Banking and Currency Committee. (p. 16408)
13. ONION FUTURES. Agreed to the conference report on H. R. 376, to prohibit trading in onion futures. This bill will now be sent to the President. p. 16335
14. DISASTER LOANS. The Agriculture Committee reported with amendment S. 304, to provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas (H. Rept. 2650). p. 16429
15. CROP INSURANCE. The Agriculture Committee reported with amendment H. R. 13262, to eliminate the prohibition against crop insurance being made available to certain counties which do not have wide participation in the program (H. Rept. 2646). p. 16429
16. FORESTRY. The Agriculture Committee reported without amendment S. 3741, to provide regular national forest status to most lands under the jurisdiction of the Forest Service (H. Rept. 2638). p. 16429
17. RESEARCH. The Interstate and Foreign Commerce Committee reported with amendment S. 4039, to authorize the head of any Government agency now making contracts for research to grant funds for the support of such research (H. Rept. 2640), and H. R. 11257, to make various amendments regarding administration of the National Science Foundation (H. Rept. 2642). p. 16429
18. MILITARY CONSTRUCTION. Conferees were appointed on H. R. 13489, military construction appropriation bill for 1959. p. 16320
19. PALM OIL; TAXATION. Passed as reported H. R. 10239, to amend the Internal Revenue Code of 1954 so as to exempt palm oils from tax during the first domestic processing until June 30, 1960. p. 16332
20. BUTTER; CHEESE. Passed as reported S. 2006, to amend the Internal Revenue Code of 1954 so as to relieve the Surgeon General of the Army and Navy from sitting with the Secretary of Agriculture on appeals boards to decide appeals from the decision of the Secretary of the Treasury on cases involving deleterious substances in butter or oleomargarine or in any substance used in the manufacture of so-called filled cheese. pp. 16332-3
21. WATER RESOURCES. Passed as reported S. 4021, to establish the U. S. Study Commission on the Savannah, Altamaha, St. Marys, Apalachicola-Chattahoochee, and Perdido-Escambia River Basins. The House amendment replaces the Alabama-Coosa River Basin with the Perdido-Escambia River Basin. pp. 16335-7
22. FARM PROGRAM. Rep. Hoffman objected to Rep. Cooley's request for unanimous consent to agree to Senate's request for a conference on S. 4071, the farm bill. p. 16410



23. MINERALS. The Rules Committee reported a resolution for consideration of S. 4036, to provide production payments to stabilize the production of certain minerals. pp. 16411-2, 16429
24. EDUCATION. The Education and Labor Committee reported without amendment H. R. 13241, to provide assistance to the States for area vocational education programs (H. Rept. 2649). p. 16429
25. RECLAMATION. The Rules Committee reported a resolution for consideration of H. R. 13523, to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas reclamation project. pp. 16412, 16429
26. PERSONNEL. Conferees were appointed on S. 25, to specify the effective date upon which changes in pay of wage-board employees shall begin following the start of a survey. Senate conferees have been appointed. p. 16412  
Conferees were appointed on H. R. 7710, to provide for the lump sum payment of all accumulated and accrued annual leave of deceased employees. Senate conferees have not been appointed. p. 16412
27. SMALL BUSINESS. Passed without amendment S. 3224, to improve opportunities for small business concerns to obtain a fair proportion of Government purchases and contracts. This bill will now be sent to the President. p. 16414
28. HOUSING. Rep. Hiestand inserted a summary of H. R. 13776, the proposed Housing Act of 1958. pp. 16414-5
29. PROPERTY; LEASES. The Government Operations Committee ordered reported S. 3142 to extend GSA authority to lease out Federal building sites until needed for construction purposes. p. D860  
The Government Operations Committee adopted a report, "Importation of Foreign Excess Property." p. D860
30. LEGISLATIVE PROGRAM. Rep. McCormack announced the following legislative program: Mon., Aug. 18: Consent Calendar; and the following under suspension of the rules: S. 4035, housing bill; H. R. 13067, food stamp bill; S. 4039, increased funds for research; and H. R. 13241, vocational education bill; Tue. and remainder of the week: Private Calendar; S. 1764, D. C. school lunch bill; and S. 4036, minerals stabilization payments bill. pp. 16909-10
31. ADJOURNED until Mon., Aug. 18. p. 16428

SENATE - August 16

32. FARM PROGRAM. Agreed to a motion by Sen. Ellender requesting the House to return S. 4071, the farm bill, to the Senate for considering agreeing to the House amendments to the bill. Sens. Mundt and Thye criticized this action. pp. 16508, 16510-11
33. FOREIGN TRADE; SURPLUS COMMODITIES. Conferees were appointed on S. 3420, to extend Public Law 480. House conferees have not been appointed. pp. 16520-21
34. FORESTRY. Sen. Jackson criticized Federal timber sales policies, stating that "I am disappointed that the Forest Service has not met its timber sales goals, that "it is high time that the secretariat for the Department of Agriculture and the bureaucracy of the Budget Bureau to take off their blinders and look to the goals that must be achieved," and inserted tables on timber sales administration and management, and Forest Service appropriated funds for the past several years. pp. 16497-99



I wish also to say that we have increased Government employees' salaries 10 percent this year. All the large corporations during the same period of time covered by the 10-percent increase in governmental salaries, increased salaries of their employees, in some cases, even more. Senators will find that most corporations of the United States have increased salaries of employees almost twice that amount. That is what the records of the committee show.

Senators will also find that the cost of living since the beginning of 1952 has increased approximately 13 percent, according to the evidence produced in the hearings of the committee.

The terms of the bill would provide for the additional cost. That is another item of importance. Senators will notice that the increases in tax rates are shown on page 77:

(1) with respect to wages paid during the calendar year 1959, the rate shall be  $2\frac{1}{2}$  percent;

(2) with respect to wages paid during the calendar years 1960 to 1962, both inclusive, the rate shall be 3 percent;

(3) with respect to wages paid during the calendar years 1963 to 1965, both inclusive, the rate shall be  $3\frac{1}{2}$  percent—

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. YARBOROUGH. I yield 1 additional minute to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 1 more minute.

Mr. JOHNSTON of South Carolina. I continue to read from page 77:

(4) with respect to wages paid during the calendar years 1966 to 1968, both inclusive, the rate shall be 4 percent; and

(5) with respect to wages paid after December 31, 1968, the rate shall be  $4\frac{1}{2}$  percent.

I have not heard one Senator say on the floor that the fund would not be solvent and would not make possible the payment of a 10-percent increase. That being so, the old people of this Nation are entitled to the increase. We are paying more than 10 percent additional to those aged people who did not pay anything into the fund at all. Why should we not provide an increase for the people who are paying into the fund, and who will pay their pro rata share?

I commend the Senator from Texas for offering the amendment, and I am glad to be a cosponsor of the amendment.

Mr. YARBOROUGH. Mr. President, I commend the distinguished senior Senator from South Carolina for his remarks and his coauthorship of the amendment. The Senator has been a leader in the field of improving working conditions for Federal employees, and his leadership is well known.

I yield the floor, Mr. President, reserving the remainder of my time on the amendment for rebuttal.

The PRESIDING OFFICER (Mr. PROXMIER in the chair). The question is on agreeing to the amendment offered by the Senator from Texas [Mr. YARBOROUGH] for himself and other Senators.

Mr. KERR. Mr. President, I ask the acting minority leader to yield me 10 minutes.

Mr. CASE of South Dakota. Mr. President, I yield 10 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 10 minutes.

Mr. KERR. Mr. President, there is no Senator on this floor who would go further to provide a 10-percent increase instead of a 7-percent increase, or a \$5 increase instead of a \$3 increase, than the senior Senator from Oklahoma, if, in the first place, it were presented in a manner in which it would be justified, and if, in the second place, it could be done without jeopardizing the passage of a bill which the authors of the amendment, in my judgment, have as great a desire to avoid jeopardizing as any other Members of the Senate.

The bill which is before the Senate provides for additional benefits to those who are now retired, and to those who will retire. The bill provides a tax to pay for those additional benefits to those who have retired and to those who will retire. The actuarial experts of the Department of Health, Education, and Welfare came before the committee and testified as to the actuarial soundness of the program under existing law and under the proposed amendment. Those technicians and actuarial experts have been with the Department for many years. They were in the Department under the Democratic administrations and have continued under the Republican administration. So far as I know, Mr. President, neither their professional ability nor their integrity has ever been questioned.

They tell us that as of this time there is an actuarial deficit of 0.42 of 1 percent with the present rate of tax income and benefits provided; and that, the increased tax provided in the bill is necessary to provide the money to pay for the increased benefits to be given under the bill and to reduce the actuarial deficit.

Mr. MARTIN of Pennsylvania. Mr. President, may we have order? This is a most important statement, one of the most important relating to the bill, and all Senators should pay close attention to it.

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senate will be in order so that the very important remarks of the Senator from Oklahoma may be heard.

Mr. KERR. If Senators are sincere in believing that this fund is actuarially sound without an increased tax, they should be here with an amendment to delete the tax feature from the bill, because the increased tax is being imposed to provide benefits for a few people who will make no contribution to the amount of money necessary to provide the increased benefits. The only justification for an increased tax is to make this fund actuarially sound.

If the fund is actuarially sound, without an increased tax, then we are being

irresponsible and doing violence to basic American principles of justice by imposing a tax on the present group of employers and employees to provide additional benefits to those already retired under provisions of law which fix their benefits.

I would vote for additional assistance to those now retired on the old age assistance rolls, but I would do so on the basic, honest principle of making such benefits available to every citizen of this country equally in need, and on the basis of paying it out of a tax which would apply to every taxpayer in the country.

The technicians and actuarial experts told our committee that as of the present time there is an actuarial deficit of 0.42 of 1 percent of the payroll; that with the additional benefits and the imposition of the tax proposed in the bill, that deficit will be reduced to less than one-fourth of 1 percent; that the proposed amendment of the Senator from Texas, if made a part of the bill without making provision for the taxes necessary to pay it, would then increase the actuarial deficit to 0.54 of 1 percent.

I believe in being generous. I believe in being just, and I believe in meeting the responsibilities of the office which I occupy. I could not do that if I would vote for a measure on the assumption of actuarial soundness, which does not exist, except, in my judgment, in the minds of wishful thinkers.

I will illustrate what I am talking about. I wish to say something about one of the dearest friends I have, the junior Senator from Louisiana [Mr. LONG], who is present. I should like his attention. He said on the floor of the Senate last night:

If we did not adopt this amendment, and passed the bill in the form in which it came from the House, the increase in the fund by the year 2000 would bring it up to \$163 billion.

The issue, as I see it, is whether, during the next 40 years, we want these old people to have the benefit of that \$40 billion, or whether we want to pile up the money in such a manner that we could retire the entire public debt by the most aggressive sort of payroll tax.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. KERR. Mr. President, I ask for 5 additional minutes.

Mr. CASE of South Dakota. I yield 5 additional minutes to the Senator from Oklahoma.

Mr. KERR. As I understand that language, it tells us that if the bill is not amended, and goes into effect and remains in effect—

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. MARTIN of Pennsylvania. Can the Senator translate that into dollars? I think it would be more understandable to many of us. If necessary, I will yield time to the Senator to do so.

Mr. KERR. I shall try to do so.

If I correctly understand the Senator from Louisiana, he tells us that by the year 2000 the fund would be \$163 billion, which would be enough to retire the entire public debt.



Mr. LONG. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. LONG. The Senator well knows that the reporters do not always get things down exactly the way we say them. I had in mind not the year 2000, but the year 2020. Under the schedule set forth in the committee report, we would eventually build up a fund exceeding \$285 billion. I believe that is about what the public debt is.

Mr. KERR. I say to the good Senator that I was present when he made the statement. I thought I understood him, and I got the RECORD to read his statement. He went on to say:

Some contend that it would be desirable to build the fund up to \$285 billion by the year 2020.

But that was in a paragraph subsequent to the one I have just read.

Mr. LONG. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. LONG. I do not believe the Senator is under the misapprehension that the junior Senator from Louisiana thinks the public debt is \$163 billion.

Mr. KERR. No; but I will tell the Senator what I do think.

The Senator was present in the committee yesterday when the authorization to increase the debt limit to \$288 billion was approved. The Senator from Oklahoma believes that it will have to be more than \$300 billion before 2 more years have gone by. Let me say to my friend that the statement that \$163 billion would pay off the entire national debt is as nearly accurate as is the statement that this fund would be actuarially sound, with the amendment proposed by the Senator from Texas and without provision for additional taxes.

There is another element in the bill which I know is in the minds of Senators. We read in the Bible, "For what shall it profit a man if he shall gain the whole world and lose his own soul?" I ask, What would we profit if we were to increase the benefit to 12 percent, or \$7, and have the bill vetoed?

I do not propose to kid the old people in Oklahoma. They would not receive any benefit from a veto. They could not eat a veto. They could not clothe themselves in a veto.

I might say to them, "The Congress gave you 10 percent, and that fellow in the White House—what is his name—President Eisenhower—vetoed it."

Do Senators think I would help myself with those people? They would reply, "You could have got 7 percent for us, or \$3." I might say, "Oh, but I thought you were entitled to \$10 or \$5." I do think they are entitled to it, and if I thought there was a chance of getting it for them, and if we had before us a measure which was fiscally sound, and which would provide it, I would vote for it. But I do not propose to kid myself or my people in Oklahoma; and I will not participate in an action which, in my judgment, would insure defeat of the bill through a veto.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. KERR. With pleasure.

Mr. THYE. Was the pending amendment considered in committee?

Mr. KERR. The amendment was offered in committee by the distinguished Senator from Tennessee [Mr. GORE], and a very eloquent presentation was made by him on behalf of the amendment. It was considered by the committee. On the basis of the advice of the actuarial experts of the Department of Health, Education, and Welfare, as to how much it would jeopardize the bill, and also on the basis of what we regard to be the attitude of the Secretary of Health, Education, and Welfare, it was voted down in committee.

Mr. THYE. On this subject, the House bill contains the same provision found in the Senate bill, does it not?

Mr. KERR. In that regard; yes.

Mr. THYE. It does?

Mr. KERR. Yes.

Mr. THYE. I have listened to the distinguished Senator from Oklahoma in his defense of the committee action and his explanation. It is most impressive. I wish to commend the distinguished Senator from Oklahoma for making clear to us what is involved in the amendment. I, like the Senator from Oklahoma, know that my people in Minnesota cannot be clothed in a veto.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CASE of South Dakota. I yield 5 additional minutes to the Senator from Oklahoma.

Mr. THYE. Nor can they be clothed with an explanation. I commend the Senator.

Mr. KERR. I thank the Senate. If an amendment were offered providing additional benefits, and if the amendment were actuarially and fiscally sound, and if we had time to stay in session and take action on a veto, I would support such an amendment. Those conditions do not prevail with respect to the pending amendment. Therefore, I say to my colleagues that, in my judgment, we can take to our people the results of the bill that is before us, with some additional amendments which I believe we will have to take—not to increase the amounts, but to make some reductions in the assistance part of the bill—and all of us, including the Senator from Oklahoma, will be able to take home a sack half full, rather than go home and show our people a sack which would have been wonderful had it been full, but which had had the bottom shot out of it by a veto.

Mr. CASE of South Dakota. I am willing to yield back the remainder of my time.

Mr. THYE. Mr. President, will the Senator yield?

Mr. KERR. I yield back to the acting minority leader the remainder of the 3 minutes I have been yielded.

Mr. THYE. Mr. President, will the distinguished Senator from Oklahoma yield?

The PRESIDING OFFICER. The acting minority leader is in control of the time.

Mr. THYE. Will the acting minority leader yield me a minute?

Mr. CASE of South Dakota. I yield 1 minute to the Senator from Minnesota.

Mr. THYE. As I examine the proposals in the committee bill, I find that Minnesota would receive \$4,509,000 in additional money. The increase for old-age assistance would be \$7.63 a month. The increase for a dependent child would be \$1.35 a month. The amount of aid to the blind would be increased by \$7.46 a month.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. THYE. May I have an additional half minute?

Mr. CASE of South Dakota. I yield a half minute to the Senator from Minnesota.

Mr. THYE. The totally disabled would receive an increase of \$7.01 a month. This matter is of great importance to all of us. It is of great concern to me. It is of great concern to me that the bill pass, and not be rejected or vetoed.

Mr. KERR. I thank the Senator.

#### FARM ACT OF 1958—MOTION TO RECONSIDER ACTION OF SENATE REQUESTING A CONFERENCE WITH THE HOUSE

Mr. CASE of South Dakota. Mr. President, I yield one-half minute to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I ask unanimous consent to make a motion and that the time for it be not charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ELLENDER. Mr. President, I was directed a few minutes ago by the Committee on Agriculture and Forestry to make the following motion:

Mr. President, I enter a motion to reconsider the votes disagreeing to the amendment of the House of Representatives to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural products, asking a conference with the House thereon, and appointing conferees.

The bill having been transmitted to the House, I move, pursuant to the rule, that the House be requested to return the said bill, with the accompanying papers, to the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

Mr. CASE of South Dakota. Mr. President, what is the pending motion?

The PRESIDING OFFICER. The pending motion is the motion of the Senator from Louisiana to request the House to return the bill (S. 4071).

Mr. ELLENDER. And all the papers attached thereto.

Mr. CASE of South Dakota. Would the Senator from Louisiana withhold the motion for a moment? I understand a Senator desired to be advised when the Senator from Louisiana made his motion. May we defer action on it for a moment?

The PRESIDING OFFICER. Without objection, action on the motion will be postponed.



# SOCIAL SECURITY AMENDMENTS OF 1958

The Senate resumed the consideration of the bill (H. R. 13549) to increase benefits under the Federal old-age, survivors, and disability insurance system, to improve the actuarial status of the trust funds of such system, and otherwise improve such system; to amend the public assistance and maternal and child health and welfare provisions of the Social Security Act, and for other purposes.

Mr. CASE of South Dakota. Mr. President, I yield 2 minutes to the Senator from Pennsylvania.

Mr. MARTIN of Pennsylvania. Mr. President, I have been very greatly impressed by what the distinguished Senator from Oklahoma has said. No member of the Committee on Finance is more in favor of taking care of the unfortunate of this country and who is more interested in keeping the bill actuarially sound than is the Senator from Oklahoma.

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MARTIN of Pennsylvania. Unfortunately, a few years ago we increased the benefits to a point beyond the receipts in the fund. We do not want that situation to occur again. Social security is really a forced saving. It has done a great deal of good in the United States. We do not wish to endanger it. It is not fair to those who make contributions. Therefore I wish to associate myself with the sound argument of the distinguished Senator from Oklahoma. I sincerely hope that the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from Texas.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from South Dakota yield me 1 more minute?

Mr. CASE of South Dakota. I yield 1 minute to the Senator from Pennsylvania.

Mr. MARTIN of Pennsylvania. The Senate should take into consideration one other point. There has been some talk about a possible Presidential disapproval of the bill if it is made more expensive than it was when it came from the House and as approved by the Committee on Finance. We must remember that the President of the United States has the overall picture to consider. It will be only a few days before the Senate will be confronted with the question of raising the debt limit. From the best information we can get, our fiscal officials do not see a chance of balancing the budget for the next 4 or 5 years, and perhaps longer. That is a serious thing confronting the people of the United States. Our old people are confronted with a serious situation, as are the young men and women who are starting out in life. So we must take those things into consideration, too. It is absolutely necessary for our President to have the courage to take all of those matters into consideration when bills are before him for approval or disapproval.

## RETIREMENT, CLERICAL ASSISTANTS, AND FREE MAILING PRIVILEGES FOR FORMER PRESIDENTS—CONFERENCE REPORT

Mr. JOHNSTON of South Carolina. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 607) to provide retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 607) entitled "An act to provide retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1:

That the Senate recede from its disagreement to the amendment of the House numbered 1 and agree to the same.

Amendment numbered 2:

That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment, as follows:

Restore the matter proposed to be stricken out by the House amendment with the following changes:

Page 1, line 9, of the Senate engrossed bill, strike out all matter following the word "President" down to but not including the period in line 11, and insert in lieu thereof the words "an office staff."

Page 2, line 4, of the Senate engrossed bill, strike out all matter following the word "exceed" down to and including the period in line 10, and insert in lieu thereof "\$50,000 per annum. The rate of compensation payable to any such person shall not exceed the maximum aggregate rate of compensation payable to any individual employed in the office of a Senator. Each individual appointed under this subsection to a position on the office staff of a former President shall be held and considered to be an employee of the Government of the United States for the purposes of the Civil Service Retirement Act, the Federal Employees' Compensation Act, and the Federal Employees' Group Life Insurance Act of 1954."

Page 2, line 14, of the Senate engrossed bill, strike out the words "located in a Federal building".

And the House agree to the same.

Amendments numbered 3, 4, 5, and 6:

That the House recede from its amendments numbered 3, 4, 5, and 6.

Amendment to the title:

That the House recede from its amendment to the title of the bill.

OLIN D. JOHNSTON,  
MIKE MONRONEY,  
DICK NEUBERGER,  
FRANK CARLSON,  
THRUSTON B. MORTON,

*Managers on the Part of the Senate.*

TOM MURRAY,  
JAMES H. MORRISON,  
EDWARD H. REES,

*Managers on the Part of the House.*

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. JOHNSON of Texas. Mr. President, I shall not object; but I desire that the standing committees will please show the leadership on both sides the courtesy of informing us of their desires. I have asked two chairmen to stand by for the calling up of conference reports until we have had a vote on the Yarbrough amendment, on which there is a limitation of debate.

I have a responsibility to the minority leader not to call up anything requiring unanimous consent without first informing him. The minority leader tells me that he had no knowledge of this request; and I had no knowledge of it.

I am enthusiastic about the proposed legislation. I know the Senator from South Carolina carries a heavy burden of work. I am familiar with that. But if we are to have a system of procedure, we shall have to coordinate our efforts. It is difficult for me to ask the chairman of one standing committee to wait until we have voted on the amendment, and then say to another chairman, "You can ask for unanimous consent, and then we will discuss your report."

I shall not object in this instance; but in the future, I hope the chairman and ranking minority member of a committee will notify the two leaders of their intentions, so that we may inform Senators who may be interested, and that we may have one rule for all Senators.

Mr. IVES. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Texas. I yield, with the understanding that the time will not be charged to either side.

Mr. IVES. Is my understanding correct that conference reports can be considered only between the consideration of amendments?

Mr. JOHNSON of Texas. Not at all. Conference reports can be considered at any time when the leadership can clear them and has made certain that the chairmen and ranking minority Senators are present. It is desired to treat all chairmen on the same basis.

Conference reports are highly privileged matters. No one is more desirous of having them considered and expedited than are the Senator from Texas and the Senator from California [Mr. KNOWLAND]. But if an orderly procedure is not followed when such requests are made, we cannot protect Senators who ask us to protect them.

In this instance, no Senator has asked to be protected on the consideration of the report. I shall not object to its present consideration. I realize the problem of the Senator from South Carolina, because the Senator from Kansas [Mr. CARLSON] must be present when the report is considered. But I ask that in the future the two leaders be notified in advance, so that all Senators may be treated alike.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSTON of South Carolina. Mr. President, I assure the majority leader that there is no objection to the consideration of the report, and that I was presenting it as a matter of form,



so that it would not be necessary to bring it back to the Senate later.

Mr. President, the conference agreement on S. 607, the bill which provides certain retirement benefits to former Presidents, is, I think, very satisfactory. As usual in matters of this kind, the House gave on some points and the Senate yielded on other points.

The main thing is that the bill makes it possible for former Presidents to fulfill certain obligations to the American people which continue after they have left the White House.

The conference agreement does the following:

First. It provides a pension of \$25,000 per year to former Presidents. This provision was the same in both the Senate and House versions, so no change occurred in conference.

Second. It provides funds for a staff to serve the President at an annual expense of not to exceed \$50,000. This is a compromise right down the middle between the House and Senate versions.

Third. It authorizes the Administrator of General Services to provide suitable space, appropriately furnished, to our former Presidents.

Fourth. It extends the franking privilege to former Presidents, and finally, it provides a pension of \$10,000 per annum to widows of former Presidents, provided any such widow waives her right to any other Federal annuity or pension.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a comparative analysis of the bill.

There being no objection, the comparative analysis was ordered to be printed in the RECORD, as follows:

COMPARATIVE ANALYSIS OF S. 607, AN ACT TO PROVIDE RETIREMENT, CLERICAL ASSISTANTS, AND FREE MAILING PRIVILEGES TO FORMER PRESIDENTS OF THE UNITED STATES, AND FOR OTHER PURPOSES

#### TITLE

Senate: Same as above.

House: Amended to read "An act to provide retirement benefits to former Presidents of the United States, and their widows."

#### SEC. (A)—PENSION (FORMER PRESIDENT)

Senate: Provides \$25,000 per annum.

House: Same as Senate.

#### SEC. (B)—STAFF

Senate: Provides staff to be selected by each former President without regard to civil service and classification laws, whose salaries shall not in the aggregate exceed amount for such purposes authorized for a Senator from least populous State.

House: No provision.

#### SEC. (C)—OFFICE SPACE

Senate: Authorizes Administrator of General Services to provide suitable space, appropriately furnished, in a Federal building.

House: No provision.

#### SEC. (D)—FREE POSTAGE

Senate: Provides free postage for all mail sent by each former President, under his written autograph signature, to any place within the United States and its Territories and possessions. Postal revenues to be reimbursed out of general funds of Treasury.

House: No provision.

#### SEC. (E)—WIDOWS OF FORMER PRESIDENTS

Senate: Provides \$10,000 if widow waives right to any other annuity and pension.

House: Provides \$10,000.

#### SEC. (F)—DEFINITION

Senate: Defines the term "former President."

House: Same.

#### REPEAL PROVISIONS

Senate: None.

House: Repeals act of February 28, 1929, granting pension of \$5,000 to Edith B. Wilson, widow of Woodrow Wilson.

Mr. CARLSON. Mr. President, I am pleased that we are able to conclude action on the bill to provide pensions for ex-Presidents, after reaching an agreement in conference between the House and the Senate.

I have done a little research into history. I think it is interesting to note that many Presidents had a hard time after leaving the White House.

Thomas Jefferson was almost bankrupt and had to mortgage Monticello and sell some of his belongings.

James Madison wrote notes on the Constitutional Convention for income, and his widow could not live comfortably on what he left.

James Monroe lost his Virginia estate and went to live with relatives in New York.

The widow of Abraham Lincoln finally asked the Congress for a pension.

Ulysses S. Grant lost money in Wall Street and wrote his memoirs to help pay the expense of his final illness.

Mrs. Benjamin Harrison had to scrimp after her husband died.

Woodrow Wilson was able to live on his wife's income after friends paid off the mortgage on his house in Washington.

Calvin Coolidge's earnings, after he left the White House, came from writing a newspaper column and from a life insurance company for which he served as a trustee.

I think the proposed legislation should have been enacted years ago. But since it has not been, I am pleased that we have brought it to the Senate for final consideration today.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Pensions for Presidents," published in the Topeka Daily Capital of August 9, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### PENSIONS FOR PRESIDENTS

One piece of legislation which may clear Congress before adjournment is one which would provide pensions for former Presidents. Its passage would mean \$25,000 a year for life for a President after he leaves office. Widows of former Presidents would get \$10,000.

The bill doesn't stem from the need of the two former Presidents now alive. Herbert Hoover and Harry Truman need no assistance nor will Dwight Eisenhower when he leaves office, it was noted in congressional debate.

Why the pension, then?

A look into history shows some Presidents had a hard time after leaving the White House. Thomas Jefferson was near bankruptcy, had to mortgage Monticello and sell some of his belongings. James Madison wrote notes on the Constitutional Convention for income and his widow, Dolly, couldn't live comfortably on what he left.

James Monroe lost his Virginia estate and went to live with relatives in New York.

Abraham Lincoln's wife finally asked Congress for a pension. Ulysses Grant lost money in Wall Street and wrote his memoirs to help pay the expense of his final illness, and Mrs. Benjamin Harrison had to scrimp after her husband died.

Woodrow Wilson was able to live on his wife's income after friends paid off the mortgage on his house in Washington. Calvin Coolidge's earnings, after leaving the White House, came from a newspaper column and a life insurance company for which he served as a trustee.

Presently, the President's salary is \$100,000 a year. He also has a \$50,000 allowance from defraying official expenses. Both of these amounts are taxable. The President is also allowed up to \$40,000 a year for travel and entertainment expenses. But it has often been said that a President leaves the White House poorer than he went in.

The present bill would relieve former Presidents of making business connections if they so desired but it wouldn't mean luxury living by any means. The Federal income tax would take its bite and the \$25,000 a year would probably net about \$18,000 at present rates on a husband-and-wife gross income.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

#### ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from South Dakota [Mr. MUNDT] may have 3 minutes to discuss the motion previously made by the Senator from Louisiana [Mr. ELLENDER], action on which was withheld until the Senator from South Dakota could be present. I ask unanimous consent that this time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, at the conclusion of the action on the motion of the Senator from Louisiana, I ask unanimous consent that the conference report on the welfare and pension bill may be called up, and that the time for its consideration not be charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

#### FARM ACT OF 1958

Mr. MUNDT. Mr. President, I voted as I did yesterday against the procedure of relieving the House from the necessity of appointing a conference committee on the farm bill because I did not think the Senate should yield to the House in its position on this matter. While I voted against that procedure again this morning, and made my reasons clear in committee, I assured the chairman of the committee that I would not delay the proceeding at this time by asking for a ye and nay vote, or by employing other dilatory tactics. I was defeated in committee. I shall not press the issue at this time.

But I call the attention of the Senate to the fact that when the agricultural bill passed the Senate, it contained some provisions which were at least of some value and virtue to the farmers of the upper Midwest. It contained a provision



removing the restrictions on corn production and provided the farmers with an acceptable price for full production. That provision has not been changed materially by the House legislation, other than to provide for a referendum by which the farmers shall decide which program they want.

I do not object, of course, to giving farmers their right to vote in a referendum, since I consistently support giving our farmers the maximum degree of self-determination in their farming plans and programs.

But the small grain sections have been changed more significantly by the House. Our price support provisions on feed grains have been decreased in their effectiveness by the House. When the bill passed the Senate, it established mandatory price supports for feed grains for the first time, and set a minimum floor of 60 percent of parity. By House action, that minimum floor has been removed. I consider that to be a direct step backward and it creates a very definitely depressing price factor, as compared to our Senate provisions on feed grains.

I, as one, felt that if we maintained our position, we would have succeeded in convincing the Members of the House that a conference committee should be appointed. I am the one member of the Senate Committee on Agriculture and Forestry who has served in the House of Representatives. I served there for 10 years. I think I know something about the strategy which is sometimes employed by the other body. I am disinclined to surrender to it.

There has been much discussion in the past few days about unconditional military surrender. I for one do not like to be pushed into an unconditional legislative surrender by the House Committee on Agriculture and Forestry. If we have to surrender, I think there should be at least some creditable terms under which we yield to the other body.

I shall not insist on a yea-and-nay vote. I shall not fight the matter any further, except to explain to the Senate and Congress as a whole the basis for the action which I took on the vote yesterday, which was consistent with the vote I took again this morning when I voted against the idea of our asking that the bill come back from the House. I believe a conference should be held, and I am confident one would be held if the Senate insisted on the position we adopted by our vote yesterday. Out of such a conference, also, should come an agriculture bill far better than that adopted by the House.

Mr. THYE. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I yield.

Mr. THYE. I wish to associate myself with the remarks which have been made by the distinguished Senator from South Dakota. I have voted as he did; and his remarks cover my own convictions.

Mr. MUNDT. I thank the Senator very much.

I regret sincerely that the House of Representatives has delayed unconscion-

ably, month after month after month, its passage of the bill extending Public Law 480. That delay has worked directly to the disadvantage of the American farmer, who, as a result of the delay, has lost hundreds of millions of dollars in export opportunities. It seems to me that the Senate acted in a very sound manner in passing the measure promptly and sending it to the other body for action by it. Likewise the delay by the House in extending our National Wool Act has been injurious to the Nation's sheep raisers.

Mr. ANDERSON. It is my understanding, however, that the bill, as it has returned to us from the House, must be accepted.

Mr. MUNDT. That is also my understanding in view of the failure of the House to appoint a conference committee.

The PRESIDING OFFICER. The time yielded to the Senator from South Dakota has expired.

The question is on agreeing to the motion of the Senator from Louisiana [Mr. ELLENDER], that the House be requested to return Senate bill 4071, with the accompanying papers, to the Senate. The motion is not debatable.

The question now is on agreeing to the motion.

The motion was agreed to.

Mr. MANSFIELD. Mr. President, I understood the Senator from Massachusetts was to be yielded 3 minutes.

The PRESIDING OFFICER. First, the motion of the Senator from Louisiana had to be acted on.

Mr. IVES. Mr. President, I understood that the Senator from Massachusetts was to call up the conference report on Senate bill 2888.

Mr. JOHNSON of Texas. No. The Senator from Louisiana submitted a motion, and it was acted on by the Senate. Thereafter, the minority leader said the Senator from South Dakota [Mr. MUNDT] wished to speak on the motion. Accordingly, the Senate vitiated the action it already had taken on the motion.

Then the Senator from South Dakota stated he wished to speak for only 3 minutes; and I asked unanimous consent that he be allowed to speak for 3 minutes, prior to having the Senate vote on the motion again. At the time when I made that request, the Senator from New York asked about having the conference report on the labor bill acted on.

Earlier today, I asked the chairman of the committee to wait until the Yarborough amendment to the social-security bill was disposed of. But the committee members were in a hurry, and wanted to have the conference report on the labor bill considered by the Senate before the vote on the Yarborough amendment to the social-security bill was taken. I treat all committee chairmen alike; so I said that as soon as the motion of the Senator from Louisiana was disposed of, the Senate would take up the conference report on the labor bill, in which the Senator from Massachusetts is interested.

I hope that in a moment the motion of the Senator from Louisiana will finally be disposed of.

Mr. IVES. The final vote on it already has been taken.

Mr. JOHNSON of Texas. Very well.

Then the Senate is now ready to proceed with consideration of the conference report in which the Senator from Massachusetts is interested.

#### REGISTRATION AND DISCLOSURE OF EMPLOYEE WELFARE AND PENSION BENEFIT PLANS—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a report of the Committee of Conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2888) to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read, for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 15, 1958, pp. 16339-16341, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection the Senate proceeded to consider the report.

Mr. KENNEDY. Mr. President, the most important differences between the bills passed by the House and Senate—which relate to the reporting and disclosure of information about pension and welfare plans—concern the powers of the Secretary of Labor and the penalties to attach to failures and omissions on the part of plan administrators. In general, the Senate bill was the stronger of the two, since it placed direct responsibility on the Secretary of Labor, and granted him extensive powers to protect the interests of participants and beneficiaries in pension and welfare plans.

The report—in the nature of a substitute for the House amendment—agreed to by the conferees is not as strong as the Senate-passed bill. Nevertheless, the report embodies all of the important principles which were the foundation of the Senate bill. The conference report provides that reports must be made by the administrators of all types of plans; recognizes that plans covering small numbers of employees need not be put to the burden of reporting; provides that reports shall be filed with, and made available to, the public, through the Secretary of Labor; grants the Secretary power to prescribe standard forms of reporting, although it does not insist that plan administrators use these standard forms of reports; recognizes that a system of reporting to beneficiaries cannot be effective unless there is a strong criminal penalty for false reporting; reduces the reporting burden on multi-State plans, by making information filed under this act available to State authorities.



The provisions in regard to the information required to be reported to beneficiaries and the manner of reporting are substantially the same as those in Senate bill 2888. The Senate conferees were forced to recede from their desire to place in the Secretary explicit power to conduct investigations, issue subpoenas, and seek injunctions to prevent violations of the act.

Although the conference report is not as strong as the Senate desired, nevertheless, as I have previously pointed out, the report does embody sound principles upon which we can build in future years as we gain more experience. The report is definitely a step in the right direction, and has some real substance, as a result of the conference. On this basis, I recommend that the Senate agree to the conference report on Senate bill 2888.

Unfortunately, Mr. President, the Senate conferees negotiated with the House conferees under considerable difficulties. There were some differences between the Senate bill and the House bill, particularly in regard to the powers given by the Senate bill to the Secretary of Labor—extensive powers to protect the interests of the beneficiaries of the welfare plans and the participants in the welfare plans. Unfortunately, many Members of the other body preferred no bill at all to the bill which had been passed by the Senate. Therefore, the Senate conferees negotiated under considerable difficulties, for they recognized that if they did not agree to make substantial concessions, no bill at all would be enacted. Therefore, the Senate conferees gave way on substantial points in disagreement, although we greatly regretted the necessity to do so.

Nevertheless, the conference report provides for an important forward step in this field, and provides a substantial basis for improvements in the public interest.

Therefore, Mr. President, I ask that the report be agreed to.

Mr. MUNDT. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. I yield.

Mr. MUNDT. Let me ask whether the so-called Mundt amendment, which prohibited persons with criminal records from holding these positions, is retained in the conference report.

Mr. KENNEDY. No, it is not.

Mr. MUNDT. I am severely disappointed by that deletion. Let me say that although the conference report may be the best the Senate conferees were able to obtain at this juncture, I understand that the report also gives the rank-and-file working members of the unions less protection than that given them by the bill which was passed by the Senate.

Mr. KENNEDY. That is correct. Instead of giving the Secretary of Labor broad powers to insure compliance with minimum standards, the conference report makes him the custodian of the reports. Instead of making the Secretary of Labor the pivot point of the entire program, the conference report makes him little more than the recipient of the reports.

Mr. MUNDT. I thank the Senator from Massachusetts for the explana-

tion. I understand that the conference report makes the Secretary of Labor the gathering point for the reports, but removes from him the police power that the Senate attempted to provide, by means of the bill it passed.

Mr. KENNEDY. That is correct.

It was contrary to the sentiments of the majority of the Senate conferees to accept the conference report; but a substantial number of the Members of the House of Representatives preferred no bill at all to the bill which had been passed by the Senate. Therefore, the Senate conferees were negotiating from a point of weakness, in regard to a bill which we wanted very much to have enacted. Under the circumstances, the Senate conferees had to recede.

Mr. GOLDWATER. Mr. President, will the Senator from Massachusetts yield to me?

Mr. KENNEDY. I yield.

Mr. GOLDWATER. I wish to take this opportunity to commend the Senate conferees for the job they have done. I recognize that they had an almost impossible task, in view of the fact that the bill passed by the House was radically different from the bill passed by the Senate.

Although I was not wholly in accord with the bill passed by the Senate, nevertheless, I feel, as does the Senator from South Dakota [Mr. MUNDT], that the conference report provides some protection to the working people of the country.

But I did not want this opportunity to pass without complimenting the chairman of the subcommittee and the other Senate conferees on the conference report which has been brought to the Senate.

I hope the Senate will agree to the report.

Mr. KENNEDY. I thank the Senator from Arizona.

Mr. ALLOTT. Mr. President.

Mr. KENNEDY. I am glad to yield to the Senator from Colorado, who is one of the conferees.

Mr. ALLOTT. Mr. President, I think several things should be said in regard to the conference report—although I do not want anything I may say to be regarded as a statement in criticism of any Member of the Senate, and, in particular, any of the conferees.

But I believe the people of the country, particularly the laboring people, should understand that the report will not remedy many of the troubles which afflict the pension and welfare plans. I believe that point should be clearly understood, so that the people of the country who work and who are members of some kind of fund or plan will understand the limitations of the conference report legislation.

The report will give to each individual member information about how his fund is operated, what it consists of, and what his benefits and his rights under it are. But so far as being a really tough bill to stop the abuses which are found in abundance in many, many of these funds, throughout the country, particularly in the fixed-cost, Taft-Hartley type plans, the conference report does not provide

any effective authority to clean up the funds.

Under the circumstances, I believe the conference report probably is weaker in some respects than Senate bill 2888. The conference report will do what I have just said, but no more.

Nevertheless, I believe the wisest thing we can do at this time is agree to the conference report, and go along with it for a year or two; and then, when the next session of Congress convenes, proceed to make improvements.

When the next session of Congress convenes it is my intention to propose legislation which will give Congress and our committees—perhaps joint committees—an opportunity to survey the reports filed and to compile statistical information. I believe that with the information which is given to individual Members, and with the statistical information made available, within a year and a half, or 2 years at the most, we can have a wealth of information which will permit us to legislate far more adequately than at the present time.

Mr. KENNEDY. And that is very important. After all, \$36 billion are involved. We shall know a great deal more about the programs as a result of the bill. I think the point which has been brought up is important, and is a very excellent reason why the Senate should accept the conference report.

Mr. ALLOTT. I thank the Senator. What the Senator said as to what we were bargaining for at the conference table is completely true. There is one thing we got out of it, which was a commitment to make the forms uniform. While use of the forms is not a necessity, I think, from the language, most of the forms will be uniform, and from them we shall be able to get a wealth of information which will be of great help to us in the future.

I thank the Senator.

Mr. KENNEDY. I thank the Senator from Colorado.

Now I yield to the Senator from New York, who was the original stimulus in this legislation.

Mr. IVES. Mr. President, I join with the able junior Senator from Massachusetts [Mr. KENNEDY] in urging that the Senate accept S. 2888 as reported by the House and Senate conferees to the respective Houses of the Congress.

I am disappointed that the 85th Congress is unable to enact more meaningful legislation affecting the rights and privileges of approximately 85 million Americans for whom pension and welfare plans have been established.

Three successive subcommittees of the Senate Committee on Labor and Public Welfare over a period of 4 years have compiled literally thousands of pages of testimony concerning the need for effective legislation in this field. The laborious efforts of these consecutive subcommittees resulted in S. 2888, and it passed the United States Senate by a vote of 88 to 0. It is indeed unfortunate that the House of Representatives is unwilling to accept the important findings and recommendations compiled by the Senate Committee on Labor and Public Welfare. However, the legislation before us is slightly more than an











# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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For actions of August 18, 1958  
85th-2d, No. 143

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HIGHLIGHTS: Senate concurred in House amendment to farm bill. House rejected: Food stamp plan bill. Omnibus housing bill. House appointed conferees on bill to extend Public Law 480, and supplemental appropriation bill. Senate passed bill to extend Mexican farm labor program.

## HOUSE

1. FOOD STAMPS. The "Daily Digest" states that "by a record vote of 196 yeas to 187 nays the House rejected a motion to suspend the rules and pass with amendments H. R. 13067, to provide for the establishment of a food-stamp plan for the distribution of \$1 billion worth of surplus food commodities a year to needy persons and families in the U. S." Since all of the House proceedings for August 18 does not appear in the Congressional Record for this date, only part of the debate on this bill appears in the Record. pp. D870-71, 16888-90
2. HOUSING. Voted, 251 to 134, to suspend the rules and pass S. 4035, the omnibus housing bill. Since this was not the required two-thirds vote for the passage of a bill under suspension of the rules, the bill was rejected. pp. 16788-812
3. APPROPRIATIONS. Conferees were appointed on H. R. 13250 the supplemental appropriation bill for 1959. Senate conferees have been appointed. p. 16842



Received the conference report on H. R. 12858, the public works appropriation bill for 1959 (H. Rept. 2670). pp. 16812-17

Agreed to a unanimous consent request of Rep. Cannon for consideration of the independent offices appropriation bill when it is reported. p. 16842

4. FARM PROGRAM. Agreed to the Senate request to return S. 4071, the farm bill, to the Senate for further consideration. p. 16842
5. SURPLUS COMMODITIES; FOREIGN TRADE. Conferees were appointed on S. 3420, to extend Public Law 480. Senate conferees have been appointed. p. 16842
6. VIRGIN ISLANDS. Conferees were appointed on H. R. 12226, to extend until June 30, 1969, the charter of the Virgin Islands Corporation, including new authority to operate salt water distillation facilities and continuation of authority for sugar production. Senate conferees have been appointed. p. 16843
7. FRUITS AND VEGETABLES. Passed over without prejudice, at the request of Rep. Byrnes, H. R. 11056, to extend restrictions on certain imported citrus fruits, dried fruits, walnuts, and dates. pp. 16843-44
8. FORESTRY. Passed without amendment H. R. 12704, to provide that receipts from the National Forests may be used for general local government matters as well as for public schools and public roads. p. 16843  
Passed over without prejudice, at the request of Rep. Byrnes, H. R. 12201, to authorize the Secretary of Interior to exchange lands to provide for an administrative site in the El Portal area of the Yosemite National Park, Calif., including the exchange of National Forest lands. p. 16846  
Passed without amendment S. 3682, to authorize the sale or exchange of certain Forest Service lands in Pima County, Ariz. This bill will now be sent to the President. A similar bill, H. R. 12242, was tabled. pp. 16866-67  
Passed over without prejudice, at the request of Rep. Byrnes, S. 3587, to authorize the Secretaries of Agriculture and Interior to investigate and report to Congress as to the advisability of establishing a national park in the Wheeler Peak-Lehman Caves area of Nev. p. 16867  
Passed with amendments S. 4053, to extend the boundaries of the Siskiyou National Forest, Ore., after substituting the language of H. R. 13101, a similar bill which had been passed earlier with amendments. H. R. 13101 was tabled. pp. 16867-68
9. LANDS. Passed without amendment S. 2517, to authorize the States to choose mineral lands in making selections in lieu of sections of public lands occupied before State claims were made. This bill will now be sent to the President. p. 16844  
Passed over without prejudice, at the request of Rep. Dingell, S. 3754, to provide for the exchange of lands between the U. S. and the Navajo Indians. p. 16846
10. RECLAMATION. Passed without amendment S. J. Res. 190, to approve the report of the Dept. of Interior on Red Willow Dam and Reservoir, Nebr. This measure will now be sent to the President. A similar measure, H. Con. Res. 301, was tabled. p. 16845  
Passed as reported S. 3448, to permit the Secretary of Interior to authorize increases in the 160-acre limitation on the Seedskadee Reclamation project. p. 16846



11. PERSONNEL. Passed as reported H. R. 9407, to provide additional opportunity for certain employees to obtain career-conditional and career appointments in the competitive service. p. 16848  
Passed without amendment S. 4004, to encourage transfers of Federal employees for service with international organizations. This bill will now be sent to the President. pp. 16849-49  
Passed as reported S. 3195, to authorize certain retired Federal personnel to accept and wear decorations, presents, and other things tendered them by certain foreign countries. pp. 16850-66
  12. INSPECTION SERVICES. Passed without amendment S. 3873, to permit the interchange of inspection services between executive agencies without reimbursement or transfer of funds. This bill will now be sent to the President. p. 16867
  13. MINING CLAIMS. Passed over without prejudice, at the request of Rep. Saylor, S. 2039, to clarify the requirements with respect to the performance of labor imposed as a condition for the holding of mining claims on Federal lands pending the issuance of patents therefor. p. 16867
  14. EDUCATION. The Rules Committee reported a resolution for consideration of H. R. 13247, the national defense education bill. p. 16887
  15. SALINE WATER. The "Daily Digest" states that conferees agreed to file a report on "S. J. Res. 135, relating to the conversion of saline water to potable uses." p. D871
  16. LEGISLATIVE PROCEDURE. Rep. Arends objected to scheduling numerous bills in the House for consideration under suspension of the rules, stating that "some of these bills you have scheduled are of major importance and highly controversial and extremely costly to the American people." p. 16804
- SENATE
- 
17. FARM PROGRAM. Concurred in the House amendment to S. 4071, the Senate farm bill. This bill will now be sent to the President. (pp. 16748-59) See Digest 140 regarding provisions of the House Amendment.
  18. FARM LABOR. Passed without amendment H. R. 10360, to extend the Mexican farm labor program until June 30, 1961. This bill will now be sent to the President. p. 16659
  19. LIVESTOCK DISEASES. Passed as reported H. R. 12126, to extend to wild animals the same prohibition against entry into the U. S. as domestic animals from any country where rinderpest or foot-or-mouth disease exists. p. 16661
  20. MARGARINE. Passed with amendment H. R. 912, to amend the Navy ration statute to permit the serving of oleo or margarine. pp. 16661-2
  21. TEXTILES. Passed with amendments H. R. 469, to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products. (pp. 16720-1, 16725, 16726-45)  
Adopted the committee amendments, and an amendment by Sen. Javits, to eliminate language requiring the labeling of the containers of imported textile products (p. 16744).



22. WATER RESOURCES. Passed with amendments H. R. 5497, to authorize Federal assistance for certain fish and wildlife development projects under the Watershed Protection and Flood Prevention Act. Agreed to two amendments by Sen. Cotton to exclude recreational facilities from the bill. pp. 16716-19
- Passed with amendment H. R. 12216, to designate a dam on the Cumberland River near Carthage, Tenn., as the Cordell Hull Dam, and to establish a U. S. study commission on certain Texas river basins. pp. 16634-5
- Passed without amendment H. J. Res. 585, to authorize the Secretary of the Interior to conduct studies into the feasibility of furnishing water from the Central Valley Project to the counties of Santa Clara, San Benito, Santa Cruz, and Monterey, Calif., by way of the Pacheco Tunnel route or other means. This measure will now be sent to the President. p. 16638
- Sen. Neuberger discussed S. 3185, to require the FPC to secure approval by the Secretary of the Interior of any license affecting fish and wildlife resources. He asserted that the amendment proposed by Sen. Morse, to require only that the FPC receive recommendations but not be bound by them, would maintain the present situation in FPC, which, he alleged, "has neither special competence nor special sympathy for conservation goals and methods, when they would militate against construction of a power project." pp. 16622-26
- Sen. Watkins inserted two articles on Russian hydro-power development which asserted that their program was behind schedule, and greater emphasis was now being placed on thermal power generation. pp. 16617-18
- Sen. Johnson discussed the development of Texas' water resources and urged the development of a unified program. pp. 16611-12
23. FORESTRY. Passed without amendment H. R. 8481, to extend title IV of the Agricultural Act of 1956, relating to forestry, to Hawaii. This bill will now be sent to the President. p. 16638
- Sen. Humphrey inserted resolutions from the cities of Tower, Eveleth, and Kinney, Minn., urging the appropriation of additional funds for construction projects planned for the Superior National Forest. p. 16613
24. LAND UTILIZATION. Passed without amendment H. R. 12494, to authorize this Department, in selling or agreeing to the sale of certain lands to N. C., to permit the State to sell or exchange such lands for private purposes. This bill will now be sent to the President. p. 16638
25. ELECTRIFICATION. Passed without amendment S. 3571, to provide for equal treatment of all State-owned hydro-electric power projects with respect to the taking over of such projects by the U. S. p. 16633
- Sen. Humphrey inserted a resolution from the East River Electric Power Cooperative urging the enactment of S. 2990 and H. R. 11762, to transfer certain REA functions from the Secretary to the REA Administrator. pp. 16612-13
26. RESEARCH. Passed with amendment S. 3268, to provide various amendments to the National Science Foundation Act. pp. 16631-2
27. ADMINISTRATIVE ORDERS. The Judiciary Committee reported without amendment H. R. 6789, to provide for reasonable notice of applications to the U. S. courts of appeals for interlocutory relief against the orders of certain administrative agencies (S. Rept. 2435). p. 16613
28. FOOD ADDITIVES. The Labor and Public Welfare Committee reported with amendments H. R. 13254, to amend the Federal Food, Drug, and Cosmetic Act so as to prohibit the use in foods of additives which have not been adequately tested to establish their safety (S. Rept. 2422). p. 16613



visions for a secret ballot in union elections, for the reform of trusteeships, and for complete accounting of union finances.

But our consideration of the bill suffers because of the lack of hearings by the House Committee on Education and Labor, and the absence of a report. Furthermore, the limitation on debate inherent in the consideration of the bill under suspension of the rules does not give the legislative process a full chance to operate.

Finally, the impossibility of amending the bill means that unwise sections of the bill cannot be cut out. For example, I believe that the non-Communist affidavit for employers contained in S. 3974 is just as unwise and as gratuitously insulting as the requirement of the similar affidavit for union officials contained in the Taft-Hartley Act. Two wrongs do not make a right, nor does a second insult atone for the first.

Mr. JUDD. Mr. Speaker, I had hoped and expected that we would be able to enact long overdue legislation during this session of Congress to correct corruption, violence and abuses of power in some labor organizations.

In a questionnaire sent to the voters in my congressional district, containing a great many unions of all types, the question was asked:

In general, do you believe our present labor laws give union members adequate democratic control over the policies and decisions of their unions?

Over 63 percent of the 11,000 who replied said, "No," 27 percent said, "Yes," and less than 10 percent gave no opinion. If labor organizations are to represent the interests and views of their members, then the members must be assured greater control over elections of officers, management of finances, decisions on strikes, and so forth.

Mr. Speaker, when the Kennedy-Ives bill was passed by the Senate after being amended a score or more times on the floor of that body, with a dozen or so other important amendments rejected by narrow margins, the AFL-CIO promptly condemned the bill, saying, among other things, that parts of it were "dangerous" and "unworkable." Much of management at first approved the bill as a step forward. Later both reversed themselves—the AFL-CIO saying the good outweighed the bad, and management groups saying the bad outweighed the good. Obviously, the bill needed careful study to determine the facts.

In such a situation, Mr. Speaker, there was only one sensible thing to do; namely, have the House Committee hold hearings on the Senate-passed bill. Let the good and bad features be pointed out, analyzed, and suitable amendments adopted; then have the bill as amended by the committee brought to the House for full and free debate and action on any further amendments proposed by Members. This is the regular way the Congress operates. Why should we be denied that opportunity on the most important bill in 10 years in this exceedingly important field of legislation, affecting every citizen of the Republic?

There was plenty of time—2 months. Yet the Senate bill was not referred by the Speaker to the House Committee on Education and Labor for 40 days. There it slumbered 20 more days. When an effort was made in committee to take it up for consideration in the proper way, the motion was voted down overwhelmingly, with the Democrat Members, so we are told, who are today demanding passage of the Senate bill as is, with only 40 minutes' debate and no amendments, voting against the bill in committee.

Mr. Speaker, what kind of performance is this? And what are the reasons why passage of an unstudied bill is all of a sudden so urgently necessary after all the unnecessary delays by the leadership of the party that controls the House and each of its committees by substantial majorities?

It seems to me that the only sensible thing for us to do today is to reject this unprecedented procedure on so important and far-reaching a bill. It can be taken up only 4½ months from now when the new Congress will be convening. Or, if its passage is so sorely needed at once, then let the committee take it up now and the Congress stay here 2 or 3 weeks more and do the job right? Let us not play fast and loose with the millions of workers of America—their jobs, their livelihood. It is more important that we not disrupt the industry of America, the source of so much of our strength and well-being, than that we adjourn this week.

Much as I hoped we could help labor tackle responsibly its housecleaning job, I cannot vote for this bill under these circumstances. This is not the way to deal with the problem.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill S. 3974?

Mr. MCCORMACK. Mr. Speaker, as long as we are going to have a rollcall on this, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 190, nays 198, not voting 41, as follows:

[Roll No. 175]

YEAS—190

|                |               |               |
|----------------|---------------|---------------|
| Addonizio      | Carrigg       | Fogarty       |
| Albert         | Celler        | Forand        |
| Allen, Calif.  | Chelf         | Frazier       |
| Anderson,      | Christopher   | Frelinghuysen |
| Mont.          | Clark         | Fulton        |
| Anfuso         | Coad          | Garmatz       |
| Ashley         | Coffin        | Granahan      |
| Aspinall       | Corbett       | Green, Oreg.  |
| Baker          | Cretella      | Green, Pa.    |
| Baldwin        | Cunningham,   | Griffiths     |
| Baring         | Iowa          | Hagen         |
| Barrett        | Cunningham,   | Hays, Ohio    |
| Bass, N. H.    | Nebr.         | Healey        |
| Bass, Tenn.    | Curtis, Mass. | Heselton      |
| Beckworth      | Dawson, Ill.  | Hollfield     |
| Bennett, Fla.  | Delaney       | Holland       |
| Bennett, Mich. | Dellay        | Holmes        |
| Blatnik        | Denton        | Holtzman      |
| Boggs          | Diggs         | Horan         |
| Boland         | Dingell       | Hosmer        |
| Bolling        | Dollinger     | Huddleston    |
| Boyle          | Donohue       | Hull          |
| Breeding       | Dorn, N. Y.   | Ikard         |
| Brooks, Tex.   | Dwyer         | Jarman        |
| Broomfield     | Eberharter    | Jennings      |
| Brown, Mo.     | Edmondson     | Johnson       |
| Buckley        | Elliott       | Jones, Ala.   |
| Byrne, Pa.     | Fallon        | Karsten       |
| Canfield       | Farbstein     | Kean          |
| Cannon         | Fascell       | Kelly, N. Y.  |
| Carnahan       | Feighan       | Keogh         |

Kilday  
King  
Kirwan  
Kluczynski  
Knutson  
Lane  
Lankford  
Lesinski  
Libonati  
McCarthy  
McCormack  
McDonough  
McFall  
McGovern  
Macdonald  
Machrowicz  
Mack, Ill.  
Madden  
Magnuson  
Mahon  
Mailliard  
Matthews  
Metcalf  
Miller, Calif.  
Mills  
Morano  
Morris  
Morrison  
Moss  
Moulder  
Mutter  
Natcher  
Nix  
O'Brien, Ill.

O'Brien, N. Y.  
O'Hara, Ill.  
O'Konski  
O'Neill  
Osmers  
Passman  
Patman  
Patterson  
Pelly  
Pfost  
Philbin  
Poage  
Polk  
Porter  
Price  
Rabaut  
Rains  
Reuss  
Rhodes, Pa.  
Rohlfman  
Roberts  
Rodino  
Rogers, Colo.  
Rogers, Fla.  
Rogers, Mass.  
Rooney  
Roosevelt  
Rutherford  
Santangelo  
Saund  
Schwengel  
Scott, Pa.  
Seely-Brown  
Selden

NAYS—198

|              |                 |                 |
|--------------|-----------------|-----------------|
| Abbitt       | Flood           | Mitchell        |
| Abernethy    | Flynt           | Moore           |
| Adair        | Ford            | Morgan          |
| Alexander    | Forrester       | Mumma           |
| Alger        | Fountain        | Murray          |
| Allen, Ill.  | Gary            | Neal            |
| Andersen,    | Gathings        | Nicholson       |
| H. Carl      | Gavin           | Nimtz           |
| Andrews      | George          | Norblad         |
| Arends       | Glenn           | Norrell         |
| Ashmore      | Grant           | O'Hara, Minn.   |
| Auchincloss  | Gregory         | Ostertag        |
| Avery        | Griffin         | Perkins         |
| Ayres        | Gross           | Pilcher         |
| Bailey       | Gubser          | Pillion         |
| Barden       | Gwinn           | Poff            |
| Bates        | Haley           | Quile           |
| Beamer       | Halleck         | Ray             |
| Becker       | Harden          | Reece, Tenn.    |
| Belcher      | Hardy           | Reed            |
| Bentley      | Harris          | Rees, Kans.     |
| Berry        | Harrison, Nebr. | Rhodes, Ariz.   |
| Betts        | Harrison, Va.   | Riley           |
| Bolton       | Harvey          | Rivers          |
| Bonner       | Haskell         | Robison, N. Y.  |
| Bosch        | Hays, Ark.      | Robson, Ky.     |
| Bow          | Hemphill        | Rogers, Tex.    |
| Bray         | Henderson       | Sadlak          |
| Brown, Ga.   | Herlong         | St. George      |
| Brown, Ohio  | Hess            | Saylor          |
| Brownson     | Hiestand        | Schenck         |
| Broyhill     | Hill            | Scherer         |
| Budge        | Hoeven          | Scott, N. C.    |
| Burleson     | Hoffman         | Sclvner         |
| Bush         | Holt            | Scudder         |
| Byrd         | Hyde            | Simpson, Ill.   |
| Byrnes, Ill. | Jackson         | Simpson, Pa.    |
| Byrnes, Wis. | Jensen          | Smith, Calif.   |
| Cederberg    | Johansen        | Smith, Kans.    |
| Chamberlain  | Jonas           | Smith, Va.      |
| Chenoweth    | Judd            | Staggers        |
| Chiperfield  | Kearns          | Stauffer        |
| Church       | Keating         | Taber           |
| Clevenger    | Kee             | Talle           |
| Collier      | Kilgore         | Teague, Calif.  |
| Cooley       | Kitchin         | Tewes           |
| Coudert      | Knox            | Thomson, Wyo.   |
| Cramer       | Krueger         | Tuck            |
| Curtin       | Lafort          | Utt             |
| Curtis, Mo.  | Laird           | Van Pelt        |
| Dague        | Latham          | Van Zandt       |
| Davis, Ga.   | Lennon          | Vinson          |
| Davis, Tenn. | Lipscomb        | Vorys           |
| Dawson, Utah | Losier          | Vursell         |
| Dennison     | McCulloch       | Weaver          |
| Dent         | McGregor        | Westland        |
| Derounian    | McIntosh        | Whitener        |
| Devereux     | McMillan        | Whitten         |
| Dixon        | Mack, Wash.     | Wildall         |
| Dooley       | Marshall        | Wigglesworth    |
| Dorn, S. C.  | May             | Williams, Miss. |
| Dowdy        | Meador          | Wills           |
| Durham       | Morrow          | Wilson, Calif.  |
| Everett      | Michel          | Wilson, Ind.    |
| Evins        | Miller, Md.     | Younger         |
| Fenton       | Miller, Nebr.   |                 |
| Fisher       | Minshall        |                 |



## NOT VOTING—41

|             |               |                 |
|-------------|---------------|-----------------|
| Baumhart    | Hébert        | Powell          |
| Blitch      | Hillings      | Preston         |
| Boykin      | James         | Prouty          |
| Brooks, La. | Jenkins       | Radwan          |
| Burdick     | Jones, Mo.    | Robeson, Va.    |
| Colmer      | Kearney       | Shuford         |
| Dies        | Kilburn       | Siler           |
| Doyle       | Landrum       | Teague, Tex.    |
| Engle       | LeCompte      | Thompson, La.   |
| Fino        | McIntire      | Vanik           |
| Friedel     | Martin        | Wainwright      |
| Gordon      | Mason         | Williams, N. Y. |
| Gray        | Miller, N. Y. | Winstead        |
| Hale        | Montoya       |                 |

So, two-thirds not having voted in favor thereof, the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Vanik and Mr. Doyle for, with Mr. Hébert against.

Mr. Engle and Mr. Friedel for, with Mr. Landrum against.

Mr. Fino and Mr. Montoya for, with Mr. Teague of Texas against.

Mr. Burdick and Mr. Gordon for, with Mr. Baumhart against.

Mr. Wainwright and Mr. Powell for, with Mr. Kilburn against.

Until further notice:

Mr. Winstead with Mr. Hale.

Mr. Colmer with Mr. James.

Mr. Robeson of Virginia with Mr. Jenkins.

Mr. Thompson of Louisiana with Mr. Kearney.

Mr. Preston with Mr. Miller of New York.

Mrs. Blitch with Mr. Mason.

Mr. Brooks of Louisiana with Mr. McIntire.

Mr. Boykin with Mr. LeCompte.

Mr. Dies with Mr. Hillings.

Mr. Gray with Mr. Prouty.

Mr. Shuford with Mr. Siler.

Mr. MERROW changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

## STATEMENT OF THE SPEAKER

The SPEAKER. The Chair desires to make a statement. The Chair is going to lay down a request from the Senate for the return of a bill, then recognize Members to send bills to conference.

## PROVIDING MORE EFFECTIVE PRICE, PRODUCTION ADJUSTMENT, AND MARKETING PROGRAMS FOR VARIOUS AGRICULTURAL COMMODITIES

The SPEAKER laid before the House the following request from the Senate:

*Ordered*, That the House of Representatives be requested to return to the Senate the bill (S. 4071) entitled "An act to provide more effective price, production adjustment, and marketing programs for various agricultural commodities," asking a conference with the House thereon, and appointing conferees.

Attest:

FELTON M. JOHNSTON,  
Secretary.

Mr. H. CARL ANDERSEN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. H. CARL ANDERSEN. Mr. Speaker, is this request subject to objection?

The SPEAKER. It is not. It is a privileged matter.

The question is on agreeing to the request of the Senate.

The request was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will notify the Senate of the action of the House.

## AMENDING AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 3420) to extend and amend the Agricultural Trade Development and Assistance Act of 1954, with House amendment thereto, insist on the House amendment and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. COOLEY, POAGE, ANFUSO, HILL, and HOEVEN.

## SUPPLEMENTAL APPROPRIATION BILL, 1959

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 13450) making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CANNON, THOMAS, KIRWAN, ROONEY, GARY, TABER, JENSEN, VURSELL, and BOW.

## PUBLIC WORKS APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the public works appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

## INDEPENDENT OFFICES APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent that it may be in order for the House to consider the independent offices appropriation bill when it is reported.

The SPEAKER. Is that satisfactory to the gentleman from New York?

Mr. TABER. We have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

## RETIREMENT, CLERICAL ASSISTANTS, AND MAILING PRIVILEGES FOR FORMER PRESIDENTS

Mr. MURRAY submitted the following conference report and statement on the bill (S. 607) to provide retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes:

## CONFERENCE REPORT (H. REPT. No. 2657)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 607) entitled "An Act to provide retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1 and agree to the same.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment, as follows:

Restore the matter proposed to be stricken out by the House amendment with the following changes:

Page 1, line 9, of the Senate engrossed bill, strike out all matter following the word "President" down to but not including the period in line 11, and insert in lieu thereof the words "an office staff".

Page 2, line 4, of the Senate engrossed bill, strike out all matter following the word "exceed" down to and including the period in line 10, and insert in lieu thereof "\$50,000 per annum. The rate of compensation payable to any such person shall not exceed the maximum aggregate rate of compensation payable to any individual employed in the office of a Senator. Each individual appointed under this subsection to a position on the office staff of a former President shall be held and considered to be an employee of the Government of the United States for the purposes of the Civil Service Retirement Act, the Federal Employees' Compensation Act, and the Federal Employees' Group Life Insurance Act of 1954."

Page 2, line 14, of the Senate engrossed bill, strike out the words "located in a Federal building".

And the House agree to the same.

Amendments numbered 3, 4, 5, and 6: That the House recede from its amendments numbered 3, 4, 5, and 6.

Amendment to the title: That the House recede from its amendment to the title of the bill.

TOM MURRAY,  
JAMES H. MORRISON,  
EDWARD H. REES,

Managers on the Part of the House.

CLIN D. JOHNSTON,  
MIKE MONRONEY,  
DICK NEUBERGER,  
FRANK CARLSON,  
THRUSTON B. MORTON,

Managers on the Part of the Senate.

## STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 607) entitled "An Act to provide retirement, clerical assistants, and free mailing privileges to former Presidents of the United States, and for other purposes", submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:



Mr. HICKENLOOPER. But it is in the nature of blind legislation which suddenly comes welling up from some place, without having much attention.

Mr. DIRKSEN. I may say that the matter has been pending before the Judiciary Committee for a considerable period of time.

Mr. HICKENLOOPER. But hundreds and hundreds of bills which have been pending before the Judiciary Committee never see the light of day.

Mr. KEFAUVER. Mr. President, the chairman of the House Committee on the Judiciary made a strong personal plea for favorable consideration of the proposed legislation. I do not have before me a copy of his testimony; but he pointed out that no cost to the Federal Government is involved, and he also pointed out that this measure does not involve a precedent.

Mr. HICKENLOOPER. But a moment ago it was stated that it will constitute a precedent, that no similar action has previously been taken by the Congress. So I wonder which statement is correct.

Mr. KEFAUVER. Well, there is a great deal of interest in this proposal.

Mr. HICKENLOOPER. Regardless of the amount of interest in it or the amount of support for it, a principle is involved.

As I have said before, when other groups were trying to obtain the enactment of legislation which called for Federal recognition of special groups of persons who had served the country in time of war, I do not care whether the proposal involves the Jewish veterans or the French-American veterans or the Methodist veterans; in any case, we have had this matter out on the floor of the Senate before.

I think it is wrong to single out for special recognition, in connection with military service to the country in time of war, an exclusive group, regardless of what the group involved may be. I think that would be wrong in principle, because I do not think military service in the defense of the country in time of war should be subject to segregation, let us say; and that is what the pending bill would do.

Mr. DIRKSEN. I want the RECORD on this point to be absolutely straight, namely, that the pending bill does not call for a charter to a membership organization; the bill is in the nature of a charter to a memorial. So I think there is a definite distinction between the two.

I also want the RECORD to show that this is the first time such a measure has come before the Senate.

Mr. HICKENLOOPER. But I think the principle is exactly the same. I have no objection to recognition of the sacrifice and the bravery of the Jewish soldiers, or the Irish soldiers, or the Methodist soldiers, or the Presbyterian soldiers, or any other soldiers. All honor and credit and praise to all of them. I simply think the pending bill would, if enacted, constitute bad practice. Once such a measure were enacted, it would open the gate; and thereafter, from time to time, I believe we would be confronted

with many similar applications as has been the case in the past.

But in the past we have not enacted legislation which would establish such specialized groups. However, once the bill which relates to this particular situation were enacted, the Congress would be requested to pass favorably on bills relating to memorials to all sorts of special groups.

Mr. DIRKSEN. I know nothing that I can add to what I have already said. The bill has been called up. It would be for the majority leader to determine whether the bill should go over.

Mr. HICKENLOOPER. Mr. President, this matter is rather embarrassing.

Is the report on the bill available?

Mr. JOHNSON of Texas. Yes. Various Senators have been reading from the report. The bill has been reported unanimously from the Committee on the Judiciary, which is made up of members of different philosophies and different parties. Apparently there is no objection to the bill. It has been cleared by the majority leader as a noncontroversial bill; and the acting minority leader [Mr. DIRKSEN] read from the report on the bill.

Mr. LANGER. Mr. President, will the Senator from Texas yield to me?

The PRESIDING OFFICER (Mr. PROXMIER in the chair). Does the Senator from Texas yield to the Senator from North Dakota?

Mr. JOHNSON of Texas. I yield.

Mr. LANGER. I wish to say to the majority leader and also to my distinguished friend, the Senator from Iowa, that the matter was thoroughly discussed, hour after hour, in the Judiciary Committee.

Mr. JOHNSON of Texas. I hope the Senator from North Dakota will make sure that the Senator from Iowa understands that.

Mr. LANGER. I wish to say to my friend, the Senator from Iowa, that the matter was discussed for hours in the Judiciary Committee; and the committee's report on the bill is a unanimous one. The bill simply is for a memorial.

Mr. HICKENLOOPER. Oh, I know; it is simply to create a special charter for a particular group. I am not opposed to any particular group. But what is proposed is wrong in principle. We have defeated such measures before.

Mr. JOHNSON of Texas. If the Senator wants to read the report, I hand it to him.

Mr. HICKENLOOPER. I read from page 8 of the bill, under the heading "corporate powers":

SEC. 4. The corporation shall have power—  
(a) to have succession by its corporate name;

(b) to sue and be sued, complain and defend in any court of competent jurisdiction;

(c) to adopt, use, and alter a corporate seal;

(d) to adopt, amend, and alter a constitution and bylaws.

And so on.

The bill states a whole list of corporate powers. It is an entity which is being sought.

I am told it requires an annual report to Congress. It is a special charter. I do not care by what name it is denominated. I have been against special charters for special organizations before. I see no reason to change my views.

Mr. JOHNSON of Texas. I do not seek to change the views of the Senator. He usually has very sound views. Although I do not always agree with him, I have no desire to change them.

I may point out that earlier in the day the Senate passed Calendar No. 2455, H. R. 13518, to incorporate the Blinded Veterans Association. Perhaps we want to reconsider that action, but the purpose of that prior action was to confer a congressional charter on the Blinded Veterans Association. The Blinded Veterans Association was founded in Connecticut in March 1945. It came to Congress and asked the Judiciary Committee to act upon its incorporation.

Mr. HICKENLOOPER. And that is perfectly all right.

Mr. JOHNSON of Texas. After giving full consideration to the plea of the organization, the Judiciary Committee unanimously reported that bill, and it passed the Senate today. It seems to me somewhat similar to the bill now under consideration.

Mr. HICKENLOOPER. There is no similarity at all in principle, no similarity at all.

Mr. HUMPHREY. Mr. President, if the Senator will yield, is it my understanding the bill relates to a memorial for the Jewish War Veterans. That organization is a going establishment. This bill is with reference to a memorial. It seems to me we have passed other measures for memorials. We are building a memorial that is believed to be most needed within a short distance of the Capitol.

Mr. HICKENLOOPER. The bill relates to much more than a memorial. It provides a corporate structure and sets for a whole list of responsibilities.

Mr. HUMPHREY. So the organization can receive gifts and contributions.

Mr. HICKENLOOPER. Where is the memorial to be built? My objection is a fundamental one, which goes to all kinds of such special organizations. The matter was before the Senate previously 2 or 3 years ago, with respect to various organizations applying for charters having to do with the armed services of the country. I opposed such measures in those cases. I think it is just as wrong now to start this precedent.

Mr. HUMPHREY. I point out that the following language is contained on page 5 of the report:

It is to be noted that H. R. 109 does not grant a Federal charter to the membership organization—the Jewish War Veterans of the United States of America—but rather is limited to the national memorial.

One of the purposes of the charter is to permit the acquiring of assets already in the possession of the organization, but which it cannot transfer without this specific legislation.



Mr. HICKENLOOPER. Why cannot the assets be transferred, if the organization has them?

Mr. HUMPHREY. Because it is incorporated under the laws of the District of Columbia. For example, in order for the assets of the Jewish War Veterans to be transferred and used for a memorial, a change in the law is required. Furthermore, it is not uncommon to establish memorials. I do not see what all the hullabaloo is about with respect to those who want to establish a memorial on the basis of contributions of their own people.

Mr. HICKENLOOPER. The organization can establish and build the memorial. There is nothing to prohibit it. I am against the principle of opening the gates for specialized groups to get such legislation. I think it is wrong.

Mr. JOHNSON of Texas. I point out that we also passed a measure for the Purple Heart Association.

Mr. HICKENLOOPER. There is no similarity between the Purple Heart Association and this kind of legislation.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 109) was read the third time and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

#### AMENDMENT OF UNITED STATES CODE TO PROVIDE ADMISSION OF CERTAIN EVIDENCE

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 2236, H. R. 11477.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H. R. 11477) to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment.

#### EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

#### DEPARTMENT OF JUSTICE— W. WILSON WHITE

The Chief Clerk read the nomination of W. Wilson White, of Pennsylvania, to be an Assistant Attorney General.

#### EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Robert L. Kunzig, of Pennsylvania, to be a member of the Foreign Claims Settlement Commission;

Wilbur G. Leonard, of Kansas, to be United States attorney for the district of Kansas; and

Gilbert H. Jertberg, of California, to be United States circuit judge for the ninth circuit.

By Mr. DIRKSEN, from the Committee on the Judiciary:

Win G. Knoch, of Illinois, to be United States circuit judge for the seventh circuit; and

Omer Poos, of Illinois, to be United States district judge for the southern district of Illinois.

#### LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, before I suggest the absence of a quorum, I move that the Senate return to legislative session. The Senator from Louisiana is ready to call up the agricultural bill.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

#### MARKETING PROGRAMS FOR VARIOUS AGRICULTURAL COMMODITIES

Mr. ELLENDER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives.

The Presiding Officer laid before the Senate the amendment of the House of Representatives to the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities—which was to strike out all after the enacting clause and insert:

##### TITLE I—COTTON

##### Program for 1959 and 1960

SEC. 101. The Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 102. Notwithstanding any other provisions of law—

"(a) for each of the 1959 and 1960 crops of upland cotton the Secretary of Agriculture is authorized and directed to offer the operator of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, a choice of (A) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, and price support determined pursuant to section 101 of this act (the amount of cotton estimated to be produced on the additional acres allotted to producers selecting choice (B) for such year being taken into account in computing such support), except that for the 1959 crop the level of support shall be not less than 80 percent of parity, or (B) the farm acreage allotment determined pursuant to section 344 of the Agri-

cultural Adjustment Act of 1938, as amended, increased by not to exceed 40 percent (such increased acreage allotment to be the acreage allotment for the farm for all purposes) and price support at a level which is 15 percent of parity below the level of support established for producers who elect choice (A). Any person operating more than one farm, in order to be eligible for choice (B), must elect choice (B) for all farms for which he is operator. Not later than January 31 the Secretary shall determine and announce on the basis of his estimate of the supply percentage and the parity price as of the following August 1, the price support level for producers who elect choice (A) and choice (B) respectively, and such price support levels shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative levels of price support and the alternative acreage allotments available for his farm. The operator of each farm shall, within the time prescribed by the Secretary, notify the county committee in writing whether he desires the increased acreage allotment and the level of price support prescribed in choice (B) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have chosen the acreage allotment and the price support level prescribed in choice (A). The choice elected by the operator shall apply to all the producers on the farm. Notwithstanding the foregoing provisions of this subsection, the Secretary may permit the operator of a farm for which choice (B) is in effect to change to choice (A) where conditions beyond the control of the farm operator, such as excessive rain, flood, or drought, prevented the planting of acreage to cotton or having cotton acreage available for harvest on the farm in accordance with the plans of such operator in selecting choice (B). The additional acreage required to be allotted to farms under this section shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm acreage allotments. Notwithstanding any other provision of law, no farm participating in any cotton acreage reserve program established for 1959 under the Soil Bank Act shall receive an increased acreage allotment under the provisions of this section for 1959. Notwithstanding the provisions of section 344 (m) (2) any farm cotton acreage allotment increased as the result of the selection of choice (B) may not be released and reapportioned to any other farm. Price support shall be made available under this paragraph only to cooperators and only if producers have not disapproved marketing quotas for the crop.

"(b) for each of the 1959 and 1960 crops of upland cotton, price support shall be made available to producers who elect choice (A) through a purchase program. Price support shall be made available to producers who elect choice (B) through loans, purchases, or other operations.

"(c) the Commodity Credit Corporation is directed, during the period beginning August 1, 1959, and ending July 31, 1961, to offer any upland cotton owned by it for sale for unrestricted use at not less than 10 percent above the current level of price support prescribed in choice (B)."

##### Price support for 1961 and subsequent years

SEC. 102. (a) The Agricultural Act of 1949, as amended, is amended by adding a new section 103 as follows:

"SEC. 103. Notwithstanding the provisions of section 101 of this act, price support to



cooperators for each crop of upland cotton, beginning with the 1961 crop, for which producers have not disapproved marketing quotas shall be at such level not more than 90 percent of the parity price therefor nor less than the minimum level prescribed below as the Secretary determines appropriate after consideration of the factors specified in section 401 (b) of this act. For the 1961 crop the minimum level shall be 70 percent of the parity price therefor, and for each subsequent crop the minimum level shall be 65 percent of the parity price therefor. Price support in the case of noncooperators and in case marketing quotas are disapproved shall be as provided in section 101 (d) (3) and (5)."

#### *Acreage allotments and marketing quotas*

SEC. 103. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(1) Section 342 is amended by striking out the third sentence and by changing the period at the end of the second sentence to a colon and adding the following: "Provided, That beginning with the 1961 crop, the national marketing quota shall be not less than a number of bales equal to the estimated domestic consumption and estimated exports (less estimated imports) for the marketing year for which the quota is proclaimed, except that the Secretary shall make such adjustment in the amount of such quota as he determines necessary after taking into consideration the estimated stocks of cotton in the United States (including the qualities of such stocks) and stocks in foreign countries which would be available for the marketing year for which the quota is being proclaimed if no adjustment of such quota is made hereunder, to assure the maintenance of adequate but not excessive stocks in the United States to provide a continuous and stable supply of the different qualities of cotton needed in the United States and in foreign cotton consuming countries, and for purposes of national security; but the Secretary, in making such adjustments, may not reduce the national marketing quota for any year below (i) 1 million bales less than the estimated domestic consumption and estimated exports for the marketing year for which such quota is being proclaimed, or (ii) 10 million bales, whichever is larger."

(2) Section 342 is further amended by adding at the end thereof the following: "Notwithstanding any other provision of this act, the national marketing quota for upland cotton for 1959 and subsequent years shall be not less than the number of bales required to provide a national acreage allotment for each such year of 16 million acres."

(3) Section 347 (b) is amended by changing the period at the end of the second sentence to a colon and adding the following: "Provided, That beginning with the 1961 crop of extra long staple cotton, such national marketing quota shall be an amount equal to (1) the estimated domestic consumption plus exports for the marketing year which begins in the next calendar year, less (2) the estimated imports, plus (3) such additional number of bales, if any, as the Secretary determines is necessary to assure adequate working stocks in trade channels until cotton from the next crop becomes readily available without resort to Commodity Credit Corporation stocks."

(4) The second sentence of section 344 (a) is amended by striking the word "five" and substituting the word "four."

#### *Minimum farm allotments*

SEC. 104. (a) Section 344 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "Provided, That there is hereby established a national acreage reserve consisting of 310,000 acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States

on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be 1,000 acres). For the 1960 and succeeding crops of cotton, the needs of States (other than Nevada) for such additional acreage for such purpose may be estimated by the Secretary, after taking into consideration such needs as determined or estimated for the preceding crop of cotton and the size of the national acreage allotment for such crop. The additional acreage so apportioned to the State shall be apportioned to the counties on the basis of the needs of the counties for such additional acreage for such purpose, and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 percent of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing provisions and under the last proviso in subsection (e) shall be determined or estimated as though allotments were first computed without regard to subsection (f) (1)."

(b) Section 344 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "Provided further, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined or estimated by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved under this subsection (f) (1), the acreage reserved under this subsection shall not be less than the smaller of (1) the remaining acreage so determined or estimated to be required for establishing minimum farm allotments or (2) 3 percent of the State acreage allotment; and the acreage which is required to be reserved under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 percent of the county allotment determined without regard to such additional acreages)."

(c) Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing paragraph (1) to read as follows:

"(1) Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) 10 acres; or (B) the acreage allotment established for the farm for the 1958 crop."

(d) The first sentence of section 344 (f) (6) of such act is amended to read as follows: "Notwithstanding the provisions of paragraph (2) of this subsection, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the remainder of the county acreage allotment (after making allotments as provided in paragraph (1) of this subsection) shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of this subsection shall be

a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the 3 years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such 3-year period: *Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 percent of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 percent limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein."

(e) The amendments made by this section shall be effective beginning with the 1959 crop.

SEC. 105. Effective beginning with the 1959 crop, section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph:

"(7) (A) In the event that any farm acreage allotment is less than that prescribed by paragraph (1), such acreage allotment shall be increased to the acreage prescribed by paragraph (1). The additional acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota."

"(B) Notwithstanding any other provision of law—

"(1) the acreage by which any farm acreage allotment for 1959 or any subsequent crop established under paragraph (1) exceeds the acreage which would have been allotted to such farm if its allotment had been computed on the basis of the same percentage factor applied to other farms in the county under paragraph (2), (6), or (8) shall not be taken into account in establishing the acreage allotment for such farm for any crop for which acreage is allotted to such farm under paragraph (2), (6), or (8); and acreage shall be allotted under paragraph (2), (6), or (8) to farms which did not receive 1958 crop allotments in excess of 10 acres if and only if the Secretary determines (after considering the allotments to other farms in the county for such crop compared with their 1958 allotments and other relevant factors) that equity and justice require the allotment of additional acreage to such farm under paragraph (2), (6), or (8),

"(ii) the acreage by which any county acreage allotment for 1959 or any subsequent crop is increased from the national or State reserve on the basis of its needs for additional acreage for establishing minimum farm allotments shall not be taken into account in establishing future county acreage allotments, and

"(iii) the additional acreage allotted pursuant to subparagraph (A) of this paragraph (7) shall not be taken into account in establishing future State, county, or farm acreage allotments."

#### *Method of determining farm allotments*

SEC. 106. Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph:

"(8) Notwithstanding the foregoing provisions of paragraphs (2) and (6) of this subsection, the Secretary may, if he determines that such action will facilitate the effective administration of the provisions of the act, provide for the county acreage allotment for the 1959 and succeeding crops of



cotton, less the acreage reserved under paragraph (3) of this subsection, to be apportioned to farms on which cotton has been planted in any 1 of the 3 years immediately preceding the year for which such allotment is determined, on the basis of the farm acreage allotment for the year immediately preceding the year for which such apportionment is made, adjusted as may be necessary (i) for any change in the acreage of cropland available for the production of cotton, or (ii) to meet the requirements of any provision (other than those contained in paragraphs (2) and (6)) with respect to the counting of acreage for history purposes."

#### *Retention of surrendered acreage in county*

SEC. 107. Paragraph (2) of section 344 (m) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end of the second sentence of such paragraph and inserting in lieu thereof the following: "; but no such acreage shall be surrendered to the State committee so long as any farmer receiving a cotton acreage allotment in such county desires additional cotton acreage."

#### *Standard grade*

SEC. 108. Section 3 (a) of the act of August 29, 1949, Public Law 272, 81st Congress, and the last sentence of section 403 of the Agricultural Act of 1949, as amended, as hereby repealed. This section shall become effective with the 1961 crop.

#### *CCC sales restrictions*

SEC. 109. Section 407 of the Agricultural Act of 1949, as amended, is amended by substituting a colon for the period at the end of the third sentence and adding at the end thereof the following: "Provided, That effective with the beginning of the marketing year for the 1961 crop, the Corporation shall not sell any upland or extra long staple cotton for unrestricted use at less than 15 percent above the current support price for cotton plus reasonable carrying charges, except that the Corporation may, in an orderly manner and so as not to affect market prices unduly, sell for unrestricted use at the market price at the time of sale a number of bales of cotton equal to the number of bales by which the national marketing quota for such marketing year is reduced below the estimated domestic consumption and exports for such marketing year pursuant to the provisions of section 342 of the Agricultural Adjustment Act of 1938, as amended."

#### *Cotton export program*

SEC. 110. Nothing in this act shall be construed to affect or modify the provisions of section 203 of the Agricultural Act of 1956, and any cotton owned or acquired by the Commodity Credit Corporation under any price support program may be used for the purpose of carrying out the cotton export program provided for in section 203 of the Agricultural Act of 1956.

#### *Split grades*

SEC. 111. Section 403 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following sentence: "Beginning with the 1959 crop, in adjusting the support price for cotton on the basis of grade, the Secretary shall establish separate price support rates for split grades and for full grades substantially reflecting relative values."

#### **TITLE II—CORN AND FEED GRAINS**

##### *Referendum*

SEC. 201. Title I of the Agricultural Act of 1949, as amended, is further amended by adding at the end of such title the following:

"Sec. 104. (a) Not later than December 15, 1958, the Secretary shall conduct a referendum of producers of corn in 1958 in the commercial corn-producing area for 1958 to determine whether such producers favor a

price support program as provided in subsection (b) of this section for the 1959 and subsequent crops in lieu of acreage allotments as provided in the Agricultural Adjustment Act of 1938, as amended, and price support as provided in section 101 of the Agricultural Act of 1949, as amended.

"(b) Notwithstanding any other provision of law, if less than a majority of the producers voting in the referendum conducted pursuant to subsection (a) hereof favor a price support program as provided in this subsection (b), the following provisions of law shall become inoperative:

*"Discontinuance of acreage allotments on corn*

"(1) The Agricultural Adjustment Act of 1938, as amended, is amended by adding the following new section:

"SEC. 330. Notwithstanding any other provision of law, acreage allotments and a commercial corn-producing area shall not be established for the 1959 and subsequent crops of corn."

##### *"Price support*

"(2) The Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 105. (a) Notwithstanding the provisions of section 101 of this act, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 percent of the average price received by farmers during the 3 calendar years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect on such price of any abnormal quantities of low-grade corn marketed during any of such year: *Provided*, That the level of price support for any crop of corn shall not be less than 65 percent of the parity price therefor.

"(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401 (b) hereof."

"(3) Section 101 (d) (4) of the Agricultural Act of 1949, as amended, is repealed effective with the 1959 crop."

#### **TITLE III—RICE**

##### *Minimum National and State acreage allotments*

SEC. 301. Section 353 (c) (6) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out "1957 and 1958" in each place it occurs therein, and inserting "1957 and subsequent years."

##### *Price support*

SEC. 302. (a) Section 101 (a) of the Agricultural Act of 1949, as amended, is amended, effective beginning with the 1959 crop—

(1) by striking out "wheat, and rice" and inserting "and wheat"; and

(2) by adding at the end thereof the following new paragraph: "For rice of the 1959 and 1960 crops, the level of support shall be not less than 75 percent of the parity price. For rice of the 1961 crop the level of support shall be not less than 70 percent of the parity price. For the 1962 and subsequent crops of rice the level of support shall be not less than 65 percent of the parity price."

#### **TITLE IV—WOOL**

SEC. 401. Section 703 of the National Wool Act of 1954 (68 Stat. 910) is amended by striking out "March 31, 1959" and inserting in lieu thereof "March 31, 1962."

SEC. 402. The first proviso in section 704 of such act (68 Stat. 911) is amended by striking out "specific" the first time it ap-

pears therein, and by striking out "(whether or not such specific duties are parts of compound rates)."

SEC. 403. The proviso in section 705 of such act (68 Stat. 911) is amended by striking out "specific" the first time it appears therein, and by striking out "(whether or not such specific duties are parts of compound rates)."

#### **TITLE V—MISCELLANEOUS**

SEC. 501. The Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 377 the following new section:

"SEC. 378. (a) Notwithstanding any other provision of this Act, the allotment determined for any commodity for any land from which the owner is displaced because of acquisition of the land for any purpose, other than for the continued production of allotted crops, by any Federal, State, or other agency having the right of eminent domain shall be placed in an allotment pool and shall be available only for use in providing allotments for other farms owned by the owner so displaced. Upon application to the county committee, within 3 years after the date of such displacement, or 3 years after the enactment of this section, whichever period is longer, any owner so displaced shall be entitled to have established for other farms owned by him allotments which are comparable with allotments determined for other farms in the same area which are similar except for the past acreage of the commodity, taking into consideration the land, labor, and equipment available for the production of the commodity, crop-rotation practices, and the soil and other physical factors affecting the production of the commodity: *Provided*, That the acreage used to establish or increase the allotments for such farms shall be transferred from the pool and shall not exceed the allotment most recently established for the farm acquired from the applicant and placed in the pool. During the period of eligibility for the making of allotments under this section for a displaced owner, acreage allotments for the farm from which the owner was so displaced shall be established in accordance with the procedure applicable to other farms, and such allotments shall be considered to have been fully planted. After such allotment is made under this section, the proportionate part, or all, as the case may be, of the past acreage used in establishing the allotment most recently placed in the pool for the farm from which the owner was so displaced shall be transferred to and considered for the purposes of future State, county, and farm acreage allotments to have been planted on the farm to which allotment is made under this section. Except where paragraph (c) requires the transfer of allotment to another portion of the same farm, for the purpose of this section (1) that part of any farm from which the owner is so displaced and that part from which he is not so displaced shall be considered as separate farms; and (2) an owner who voluntarily relinquishes possession of the land subsequent to its acquisition by an agency having the right of eminent domain shall be considered as having been displaced because of such acquisition.

"(b) The provisions of this section shall not be applicable if (1) there is any marketing quota penalty due with respect to the marketing of the commodity from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (2) any of the commodity produced on such farm has not been accounted for as required by the Secretary; or (3) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of the commodity produced on or marketed from such farm or due to a false acreage report.



"(c) This section shall not be applicable, in the case of cotton, tobacco, and peanuts, to any farm from which the owner was displaced prior to 1950, in the case of wheat and corn, to any farm from which the owner was displaced prior to 1954, and in the case of rice, to any farm from which the owner was displaced prior to 1955. In any case where the cropland acquired for nonfarming purposes from an owner by an agency having the right of eminent domain represents less than 15 percent of the total cropland on the farm, the allotment attributable to that portion of the farm so acquired shall be transferred to that portion of the farm not so acquired.

"(d) Sections 313 (h), 334 (d), 334 (h), 353 (f), and 358 (h) of the Agricultural Adjustment Act of 1938, as amended, are repealed, but any transfer or reassignment of allotment heretofore made under the provisions of these sections shall remain in effect, and any displaced farmowner for whom an allotment has been established under such repealed sections shall not be eligible for additional allotment under subsection (a) of this section because of such displacement."

SEC. 502. Section 405 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "There is authorized to be included in the terms and conditions of any such nonrecourse loan a provision whereby on and after the maturity of the loan or any extension thereof Commodity Credit Corporation shall have the right to acquire title to the unredeemed collateral without obligation to pay for any market value which such collateral may have in excess of the loan indebtedness."

SEC. 503. Section 201 (b) of the Agricultural Act of 1949, as amended, is amended by changing the semicolon at the end thereof to a colon and adding the following: "Provided, That in any crop year in which the Secretary determines that the domestic production of tung oil will be less than the anticipated domestic demand for such oil, the price of tung nuts shall be supported at not less than 65 percent of the parity price therefor."

*Extend veterans and armed services milk program*

SEC. 504. (a) The first sentence of section 202 (a) of the Agricultural Act of 1949, as amended (7 U. S. C. 1446a), is amended by striking out "1958" and inserting in lieu thereof "1961."

(b) Subsection (b) of section 202 of the Agricultural Act of 1949 (7 U. S. C. 1446a) is amended by striking out "1958" and inserting in lieu thereof "1961", by striking out "of the Army, Navy, or Air Force, and as a part of the ration" and inserting in lieu thereof "(1) of the Army, Navy, Air Force, or Coast Guard, (2)", and by inserting before the period at the end of the first sentence of such subsection the following: ", and (3) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy."

SEC. 505. Commodity Credit Corporation is authorized, on such terms as the Secretary of Agriculture may approve, to donate cotton acquired through its price support operations to educational institutions for use in the training of students in the processing and manufacture of cotton into textiles.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the motion previously entered by me to reconsider the vote by which the Senate sent S. 4071, the so-called farm bill, to conference and appointed conferees, be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I move that the Senate agree to the amendments of the House to the bill.

Before proceeding, I should like to make a very short explanation of the bill with respect to differences between the House and the Senate versions of this bill.

The House amendment in the nature of a substitute to S. 4071 is generally similar to the bill as passed by the Senate. The principal differences are that under the House amendment cotton and rice support levels would be based entirely upon parity prices, rather than on average market prices with dollar and cent minimums; there would be no dollar and cent minimum support for corn or parity minimum support for feed grains; and the corn and feed grain provisions would be effective only if approved by corn producers. These differences represent an effort on the part of the House to preserve the principle of the parity concept rather than an effort to change the support level. In each case where it struck out the dollar and cent minimum, the House inserted a minimum based on the parity price and designed to achieve approximately the same support level.

#### COTTON

With respect to cotton, the House amendment prescribes a minimum choice—A—support level of 80 percent of parity for 1959. The minimum support would then be reduced 5 percent each year to 75 percent in 1960, 70 percent in 1961, and 65 percent in 1962 and subsequent years. Under both the Senate bill and the House amendment the support level would be based on the so-called escalator clause, which requires that it be determined relative to the supply situation, in 1959 and 1960; but the Senate bill did not contain the 80 percent minimum for 1959. The Senate bill provided that for 1961 and subsequent years cotton would be supported at 90 percent of the 3-year average spot market price, but not less than 30 cents a pound for middling inch cotton or 60 percent of parity, whichever might be higher.

The House provided for more flexibility by providing a range of 70 to 90 percent of parity for 1961, and 65 to 90 percent for all subsequent years. The House committee selected 65 percent of parity as representing the best available estimate of the parity equivalent in 1962 of the 30-cent minimum in the Senate bill. Both the Senate bill and the House amendment provide for continued use of seven-eighths Middling as the standard grade for 1959 and 1960. Beginning with 1961, the House amendment provides for use of the average grade, while the Senate bill provides for use of Middling inch. However, since the support level under the Senate bill would have been based on Middling inch market prices as well as being the Middling inch support price, it would have resulted in average support prices approximating 90 percent of the average market price.

Both the Senate bill and the House amendment provide for a choice plan in 1959 and 1960; a minimum national allotment of 16 million acres, and provisions assuring farms with 1958 allotments of 10 acres or less that their allotments will not be cut further in future

years. However, under the Senate bill the increase in choice B farm allotments in 1959 and 1960 would be a flat 40 percent, while the House amendment provides for an increase to be determined and announced by the Secretary at not to exceed 40 percent.

In addition, the House cotton provisions differ from the Senate provisions in the following respects:

First. They would authorize the Secretary to permit farmers to withdraw from choice B where planned cotton production was prevented by conditions beyond the farmer's control.

Second. They provide for conversion of the national marketing quota for cotton into a national acreage allotment upon the basis of a 4-year average yield, instead of a 3-year yield adjusted for abnormal conditions and trends as provided in the Senate bill. The law now provides for 5 years.

Third. They contain a technical amendment to the small farm provision to simplify acreage history recordkeeping and permit small farms to receive allotments in excess of the minimum when equity and justice so require.

Fourth. They omit the Senate provision permitting Commodity Credit Corporation to purchase and donate certain quantities of cottonseed and soybean oil.

Fifth. The House amendment requires the Secretary to establish separate cotton price support rates for full grades and split grades.

#### CORN AND FEED GRAINS

With respect to corn, both the Senate bill and House amendment provide for price support at 90 percent of a 3-year average price and discontinuance of acreage allotments. However, under the House amendment the corn and feed grain provisions of the bill would be effective only if approved by a majority of the 1958 commercial area corn producers voting in a referendum. The Senate provisions for minimum support prices for corn of \$1.10 per bushel or 60 percent of parity have been omitted from the House amendment, which provides instead for a minimum of 65 percent of parity, or about \$1.14 based on present parity. The Department's estimate of 90 percent of the 3-year average market price applicable to 1959 is \$1.15 per bushel, so that the House minimum approximates the 1959 support level as determined under the Senate bill.

Both the Senate bill and the House amendment provided mandatory support for feed grains at fair and reasonable levels in relation to corn and other factors, but the Senate provided a minimum of 60 percent of parity, while the House did not. However, by providing for a 65-percent minimum level for corn and basing feed grain support levels largely on corn support levels, the House in effect provided for minimum levels for the feed grains approximating 60 percent of parity.

Mr. YOUNG. Mr. President, will the Senator yield at that point?

Mr. ELLENDER. I yield.

Mr. YOUNG. In that respect the Senate bill would provide a higher mandatory support price than the House



amendment for secondary feed grains, both barley and rye?

Mr. ELLENDER. I believe the Assistant Secretary of Agriculture, Mr. Marvin McLain told the committee that he did not believe, with a 65 percent of parity support price for corn, that the support price of other feed grains would be less than 60 percent of parity.

Mr. YOUNG. But we have no assurance whatever that the support prices will not go below 60 percent of parity?

Mr. ELLENDER. We have none, other than Mr. McLain's statement. Since the price supports for feed grains other than corn have never been less than 65 percent of parity, I doubt that the Secretary of Agriculture would fix price support at lower than 60 percent of parity.

Mr. YOUNG. Would the Senator agree that it was the opinion of at least a great majority of the members of the Committee on Agriculture and Forestry that the level of price supports on feed grains should not go below 60 percent of parity as provided in the amendment to the Senate bill.

Mr. ELLENDER. That was the unanimous opinion of the committee. I do not know of any member who opposed that provision of the Senate bill. I point out to my good friend from North Dakota, as the Senator will recall, that the Senate bill provided for not less than 60 percent of parity for corn, or \$1.10 per bushel, whichever might be higher. The House amendment raised the corn support level provided by the bill to 65 percent of parity, and supports for the other feed grains must be fixed at fair levels relative to corn. Because of the history of support levels, as to secondary feed grains, I am of the opinion that price support for them will not be less than 60 percent of parity.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. Will the Senator state whether the extension of the Wool Act is contained in the provisions as passed by the House?

Mr. ELLENDER. It is. I will discuss that matter in detail later in my remarks.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SCHOEPPEL. Was it not generally the opinion of the representatives of the Department of Agriculture, when we discussed this matter with them, that the support price should not be below 60 percent of parity? In fact, some of the representatives had serious doubts whether the support prices would go below 65 percent of parity?

Mr. ELLENDER. The Senator is correct.

Mr. YOUNG. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. YOUNG. Would that be true with respect not only to next year, but to the following years as well? No guaranty was given that the price supports for feed grains would not be lowered.

Mr. ELLENDER. I wish to say to my goods friends from Kansas and North Dakota that the committee discussed the

matter at length. I, for one, as chairman of the Senate Committee on Agriculture and Forestry, will gladly, cheerfully study the proposition early next year, in the hope of passing both a feed grain and a wheat bill. I believe that wheat, in particular, requires the attention of the committee. When a wheat bill is considered next year, I am sure we can also consider legislation affecting secondary feed grains, in the hope that we can reach a fair solution of problems as to both.

Mr. YOUNG. I thank the Senator.

Mr. SCHOEPPEL. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. SCHOEPPEL. I appreciate very much that statement by the Senator on the Senate floor. He made the same statement in the executive session of the Committee on Agriculture and Forestry. Many of us realize that this bill is not a perfect bill.

Mr. ELLENDER. Yes.

Mr. SCHOEPPEL. This bill does not satisfy everyone, by any means. However, we have been assured that when we meet next year, we shall have an opportunity to see the situation which develops. With a cooperative committee we can go into these matters at greater length than is possible in the closing days of the present session, when to a certain degree we have been over a barrel.

Mr. ELLENDER. I have no doubt of that.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LANGER. Does the bill provide for an extension of the Wool Act?

Mr. ELLENDER. I shall cover that in my remarks.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARLSON. Is my understanding correct that the Senator stated the support price for feed grains would be fair and reasonable? I believe those were the words.

Mr. ELLENDER. Yes.

Mr. CARLSON. Will the Secretary of Agriculture determine what is a fair and reasonable support program for feed grains?

Mr. ELLENDER. He would under this bill. However, such support prices must be related to the feed value of corn, and other factors.

Mr. CARLSON. As I understand—

Mr. ELLENDER. I am convinced that secondary feed grain support prices will never be set at less than 60 percent of parity.

Mr. CARLSON. I appreciate very much the statement of the Senator.

Mr. ELLENDER. If any effort is made to go below that figure, I give assurance to the Senator, as chairman of the Senate Committee on Agriculture and Forestry—I hope to still be chairman next year—that I will look into the problem immediately.

In addition, it is my judgment that the wheat provisions of existing law need attention. We are growing entirely too much wheat.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MUNDT. I think we should establish, for the legislative history, that the committee was well aware of the fact that the bill leaves untouched the problems confronting the dairy industry and the wheat farmer. But the fact that they are not included in the bill does not mean that their problems were not seriously discussed by the committee in executive session.

It was recognized that certainly in the case of wheat, early in the next session we must study a problem which is becoming alarmingly more serious, and try to arrive at a solution, in consultation with the wheat growers, with the view of enacting legislation which will move in the direction of solving that problem.

In connection with the dairy industry, if the situation next year is such as to justify a new approach in that field, it was generally conceded around the committee table that that should be done.

Mr. ELLENDER. Yes.

Mr. MUNDT. With regard to my own position, let me say I was against relieving the House of its responsibility to establish a conference committee, because in my opinion the bill as it passed the Senate was considerably better than the bill which passed the House insofar as the corn farmer and the producers of feed grains are concerned. However, the House remained adamant. It refused to appoint conferees. We are now confronted with the choice of accepting this legislation or nothing, in connection with farm matters this year.

There is a serious situation confronting farmers in the South who produce cotton and rice. I think it would be unfortunate to divide up the farm block of this country sectionally in this body, or to divide it up into a series of warring camps representing various commodities. We are confronted with the choice of accepting this legislation or doing nothing about the urgent problem in the South. I shall not resist further the enactment of this legislation. It also contains some matters of value to farmers in other areas than the South.

The extension of the National Wool Act for example affects people in more than 40 States. It is a continuation of an administration act passed in 1933, which has proved to be almost universally acceptable and desirable. That certainly is on the credit side so far as the farmers generally are concerned.

In addition, it finally puts the House on record in approval of the extension of Public Law 480, which was passed by the Senate many months ago. The last time which has already occurred in securing extension of Public Law 480 has cost the American farmer hundreds of millions of dollars in export opportunities. That is water over the dam. But it seems that unless we accept the legislation before us, we lose the opportunities under Public Law 480, as extended.

So while I regret the fact that the House language did remove from the mandatory price supports for small grains which were included in the Senate bill for the first time the most significant feature of such supports, which was the



60 percent of parity minimum, I have such assurance, from the attitude expressed by the chairman of the committee and by our committee colleagues in executive session, and from the fact that I have faith in our friends in the South, who, if we come to their rescue now, will come to our rescue next year, when we shall need them, that I shall not engage in any further resistance to this bill which the South so much desires.

Mr. ELLENDER. I thank the Senator.

With Further reference to wheat, as the Senator knows, there is, under existing law, a maximum acreage of 55 million acres. The price support remains within the range of 75 to 90 percent of parity, depending upon supply.

In the case of milk and dairy products, price support now fixed at between 75 and 90 percent of parity is not disturbed. Production is not limited.

When we meet in January, if the law governing any of these commodities needs correction, I shall be only too glad to assist in every way I can to rectify the law.

Mr. MUNDT. Those of us who have served with the distinguished chairman of the committee can bear public testimony to the fact that in none of his deliberations or decisions has he ever acted in a sectional manner, or in a manner to favor one commodity against another. He has been in the State of South Dakota holding hearings. He is just dedicated to finding an adequate solution of the problems confronting the wheat farmer and the dairy industry as he is to solving the problems affecting crops produced in his area.

I do not wish to intimate that there is not a serious situation confronting us in the wheat and dairy industries. However, this bill does not worsen that problem—the situation is left in status quo. But the status quo is not good enough for wheat, and that is why we look forward to an improvement next year. I suspect that the chairman's political optimism will be vindicated, and that he will still be chairman of the committee next year.

However, we have the supporting and buttressing testimony of the Senator who would be chairman in the event of a Republican landslide. The Senator from Vermont [Mr. AIKEN] has given us the same assurance, which ought to be pretty conclusive testimony assuring wheat, dairy, corn, and small-grain operators of remedial and constructive legislation next year should the facts at that time indicate such legislation as necessary. I am sure our southern friends whom we now support will in turn support us at that time. On that basis, I shall resist no further the adoption of this House farm bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. I assure the Senate that in the event the Senator from Louisiana is not the chairman of the Committee on Agriculture and Forestry next year, we shall proceed to consider the various questions which have been raised on the floor and in the committee.

I also point out that we hope that, through this legislation which we are enacting, and which undoubtedly will have a 2-year trial run, to bring about a better balance of production as between various farm commodities. We hope that not so many people will be inclined to raise wheat if they can put some of the land into cotton and find an export market for it.

The dairy production of the country has been below the production of last year for the past 3 months, and probably will continue to be so. We know that each year our increased population requires the production from 250,000 dairy cows, and that will require more acres. We hope that the Wool Act will result in the conversion of some acres now used for feed grains or wheat to the production of wool and lambs.

This is a trial run. I believe that the bill before us is as good a bill as we can expect to get this year.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. BARRETT. At the outset I wish to commend the distinguished chairman of the Committee on Agriculture and Forestry for his splendid leadership in getting this piece of legislation before the Congress for final action. It seems to me that, on the whole, this is about as good a farm bill as we could get in this session.

I believe that a great deal of the credit for this bill belongs to the distinguished chairman of the committee. This legislation will affect the entire country, not merely the South, but the East and the West.

I am particularly pleased that the Wool Act has been extended by this bill. The Wool Act has operated in admirable fashion. It has proved a lifesaver for the wool producers of America.

There may be some argument as to the merits of the provisions of the Senate bill as compared with those of the House version, but, after all, legislation is a matter of compromise. We must be realistic and do the best we can under the circumstances.

The sheep and wool industry ranks third in economic importance in Wyoming and Nevada and fourth in New Mexico. It stands tenth in Idaho, Utah, and Montana, and sixth in Arizona, Colorado, Oregon, South Dakota, and Texas; in California the industry ranks ninth, and in Washington, tenth place. That indicates conclusively, Mr. President, the tremendous importance of this great industry to the economy of the country as a whole and particularly to the western states. In view of the splendid results achieved by the Wool Act, the Congress has no alternative but to extend the act for another 3 years. The sheep industry of this country is greatly indebted to the chairman of our great Committee on Agriculture and Forestry for his splendid leadership in bringing this farm bill to a final vote. I hope the Senate will concur in the House amendments.

Mr. ELLENDER. I thank the Senator. I wish to give credit to the whole committee, because all of us worked hard on the bill.

I now return to my program-by-program analysis of the House amendments to the Senate bill.

#### RICE

With respect to rice, both the Senate bill and the House amendment provide for extension permanently of the current national and State minimum acreage allotments. Price support provisions for 1959 and 1960 are the same in both Houses. Beginning in 1961 the Senate provided for support at 90 percent of a 3-year average price, but not less than \$4 per hundredweight or 60 percent of parity, while the House provided for 70 to 90 percent of parity in 1961 and 65 to 90 percent of parity in all subsequent years.

#### WOOL

Both Houses provided for extension of the wool program. The Senate provided for a 4-year extension while the House provided for a 3-year extension. The Senate provided for additional funds through the regular appropriation process, while the House provided for use of 70 percent of the ad valorem duties on wool and wool products in addition to 70 percent of the specific duties. The Senate provided for a maximum support, through payments, of not more than 85 percent of parity if payments were to exceed 70 percent of the specific duties. Under the House amendment total payments would be limited to 70 percent of the specific and ad valorem duties accumulated from January 1, 1953. Use of the ad valorem duties adds about \$20 million a year to the funds available for payment. The support rate has been 62 cents a pound in prior years and it is expected that this rate would continue under either version. I do not believe that it should go above that level.

#### MISCELLANEOUS

The House amendment contains no provision dealing with Public Law 480, 83d Congress, that being left to the conferees on S. 3420. It omits a provision contained in the Senate bill extending the time for review of 1959 wheat allotments. The House amendment also contains an allotment transfer provision substantially identical to S. 4151 as passed by the Senate; a provision relieving the Government of the need to make equity payments to farmers in acquiring unredeemed price support loan collateral; a provision raising the tung nut support price to 65 percent of parity; an extension of the Armed Forces milk program identical in substance to S. 3341 as passed by the Senate; and provision for the donation of cotton to educational institutions for training programs.

Mr. President, I ask unanimous consent that there may be printed in the RECORD at this point an analysis of the bill, together with a table showing the duties collected on wool and wool manufactures imported into the United States.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### SENATE COMMITTEE ON AGRICULTURE AND FORESTRY

The House amendment to S. 4071 differs from the bill as passed by the Senate in the following substantive respects:



## COTTON

(1) The House amendment provides that the choice (A) 1959 upland cotton price-support level may not be less than 80 percent of parity ( $\frac{3}{4}$  M would be the standard grade for 1959 and 1960 as in the Senate bill).

The data used in determining the price-support level for the 1958 crop (81 percent) indicate a carryover August 1, 1959, of 7.6 million bales. Assuming production of 13.5 million bales in 1959 and disappearance slightly above that estimated by the Secretary for 1958-59, the supply percentage would be slightly over 130 which would call for price support at 75 percent of the parity price. Under the House amendment, the 1959 support and resale prices are estimated as follows (based on the August 1, 1958, parity price of 38.55 cents per pound):

[Cents per pound]

|                                                        | M $\frac{3}{4}$ " | M 1"  |
|--------------------------------------------------------|-------------------|-------|
| 1959 choice A at 80 percent of parity.....             | 30.84             | 34.69 |
| 1959 choice B at 65 percent of parity.....             | 25.06             | 28.91 |
| 1959 resale at 110 percent of lower support level..... | 27.57             | 31.42 |

(2) The House amendment provides that the increase in acreage allotments under choice (B) shall be not to exceed 40 percent, leaving the exact percentage to the Secretary.

To the extent that the percentage were reduced below 40 percent, choice (B) would be made unattractive and might result in more farmers electing choice (A) and the purchase of more choice (A) cotton by the Government. By giving the Secretary authority to decrease the attractiveness of choice (B) the House amendment would give the Secretary additional power to regulate the production of cotton.

(3) The House amendment authorizes the Secretary to permit farmers to withdraw from choice (B) where planned production is prevented by conditions beyond the farmer's control.

The House provisions would authorize the Secretary to afford relief in those cases where, for example, a farmer with a regular allotment of 10 acres elected choice (B) before planting time (14.0 acres) but was able to plant only 9 acres in 1959 because of floods or planted 14.0 acres but 5 acres of cotton was destroyed by excessive rain, flood, hail, etc. The Secretary could permit the farmer to change back to choice (A) and be eligible for price support at the higher rate on his 9 acres of cotton.

(4) For 1961 and subsequent years the House amendment provides upland cotton price support at not more than 90 percent of parity and not less than—

(A) 70 percent of parity in the case of the 1961 crop;

(B) 65 percent of parity in the case of all subsequent crops, the average grade being the standard grade.

(The Senate bill provides for support for 1961 and subsequent years at 90 percent of the average market price but not less than the higher of 30 cents or 60 percent of parity, Middling 1-inch being the standard grade.)

(5) The House amendment provides for conversion of the national marketing quota for cotton into a national acreage allotment upon the basis of a 4-year average yield (instead of a 3-year yield adjusted for abnormal conditions and trends as provided in the Senate bill). For the purposes of 1959 acreage allotment determination the following data would be relevant:

Five year average yield: 351 pounds (current law).

Four year average yield: 365 pounds (House provision).

Three year average yield unadjusted: 377 pounds (Senate provision, subject to adjustment).

It appears that the national acreage allotment for 1959 (and perhaps subsequent years) will be at the minimum level of 16 million acres. Whenever the minimum allotment is in effect, the national average yield is not a factor.

(6) The House amendment contains a technical amendment to the small farm provision which will simplify acreage history record keeping for farms receiving minimum allotments and permit such farms to receive allotments in excess of the minimums when equity and justice so require.

(7) The House amendment would make the average grade the standard grade for 1961 and subsequent crops (instead of Middling 1-inch as provided by the Senate bill). At the present time there is a difference of 385 points between M  $\frac{3}{4}$ -inch and M 1-inch, while average of the crop is 281 points below M 1-inch.

(8) The House amendment omits section 111 of the Senate bill (permitting CCC to purchase and donate a quantity of cottonseed or soybean oil equal to the increase in total oil production resulting from the increase in cotton acreage under choice (B) in 1959 and 1960).

(9) The House amendment requires the Secretary to establish separate price support rates for full grades and split grades.

At present CCC establishes price support rates only for the full grades of cotton. Spotted cotton, for example, carries a heavy discount, and if a bale which might be graded as "light" spotted is placed under loan the discount is unduly large. However, the farmer retains control of the cotton under loan and he may sell his right of redemption or equity in the bale at a price which reflects the fact that the cotton is "light" spotted and, therefore, worth more than if it were spotted cotton. Under the choice (A) program for 1959 and 1960, the farmer presumably will have no market for his cotton other than CCC and if there is only one rate for spotted cotton farmers who have "light" spotted cotton would be at a disadvantage.

## CORN AND FEED GRAINS

(10) The House amendment would make the corn and feed-grain provisions of the bill effective only if approved by a majority of the corn producers voting in a referendum of 1958 commercial-area producers.

(11) The House amendment substitutes 65 percent of parity as the minimum corn support level (in lieu of the higher of \$1.10 per bushel or 60 percent of parity as provided by the Senate bill).

July 1958 parity is \$1.76 per bushel.

Present support level: \$1.36 (77 percent of parity); 65 percent is \$1.14 per bushel; 60 percent is \$1.06 per bushel.

(12) The House amendment omits the 60-percent-of-parity minimum support level for feed grains, leaving them to be supported at reasonable levels in relation to corn and other factors.

|                    | Parity price<br>July 1958 | Present support,<br>70 percent | 60 percent |
|--------------------|---------------------------|--------------------------------|------------|
| Barley.....        | 1.35                      | 0.94                           | 0.81       |
| Grain sorghum..... | 2.67                      | 1.87                           | 1.60       |
| Oats.....          | .884                      | .62                            | .53        |
| Rye.....           | 1.60                      | 1.12                           | .96        |

## RICE

(13) The House amendment provides price support for rice for 1961 and subsequent crops at not more than 90 percent of parity and not less than—

(A) 70 percent of parity in the case of the 1961 crop, and

(B) 65 percent of parity in the case of all subsequent crops. (The Senate bill provides for support at 90 percent of a 3-year average price but not less than the higher of \$4 per hundredweight or 60 percent of parity.)

Percent  
of parity

|                                           |     |
|-------------------------------------------|-----|
| Parity price as of July 1958, \$5.98..... | 100 |
| Support level, 1958, \$4.48.....          | 75  |
| Support level, 1958, \$4.18.....          | 70  |
| Support level, 1958, \$3.89.....          | 65  |

## WHEAT

(14) The House amendment omits section 303 of the Senate bill (which would have extended the time (now expired) for wheat producers to have their 1959 allotments reviewed until 15 days after enactment of the bill).

## WOOL

(15) The House amendment provides for a 3-year extension of the National Wool Act of 1954 (instead of a 4-year extension).

(16) The House amendment provides for use of 70 percent of the ad valorem duties on wool and wool products (in addition to 70 percent of the specific duties) to provide reimbursement to CCC for payments under the act and in determining the maximum payments which may be made under the act. (The Senate bill authorizes appropriations by Congress of sums additional to 70 percent of the specific duties and limits support through payments to 85 percent of parity when payments exceed 70 percent of the specific duties.)

Seventy percent of the ad valorem duties averaged about \$20 million per year from January 1, 1953, to March 31, 1958, so that the House amendment would increase the limitation on total payments and the amount automatically appropriated to reimburse CCC by about \$20 million per year. Under the Senate bill, the support level through payments would be held to not more than 85 percent of parity for the foreseeable future, but the Department believes that this would permit it to continue to support wool at 62 cents a pound as it has in the past. Additional data is contained in exhibits A and B attached hereto.

## PUBLIC LAW 480

(17) The House amendment omits title V of the Senate bill (extending and amending Public Law 480, 83d Cong.).

MISCELLANEOUS PROVISIONS ADDED BY THE  
HOUSE AMENDMENT

(18) Section 501 of the House amendment adds a uniform provision for the transfer of acreage allotments where farmland is acquired by an agency having the right of eminent domain. In substance it is identical to S. 4151 as passed by the Senate, except that it is not applicable to lands acquired for the continued production of allotted crops.

(19) Section 502 of the House amendment adds a provision permitting price support loan documents to provide for acquisition of unredeemed collateral without payment to the producer for any remaining equity he might have.

(20) Section 503 of the House amendment provides that the support price for tung nuts shall not be less than 65 percent of parity whenever domestic production of tung oil is less than anticipated domestic demand. Existing law provides for 60 to 90 percent of parity. Domestic consumption consistently exceeds domestic production, so that this would raise the minimum support level to 65 percent of parity.

(21) Section 504 of the House amendment extends the veterans and Armed Forces milk



program for 3 years, to December 31, 1961, and extends it to the Coast Guard and to the Merchant Marine Academy. It is identical in substance to S. 3341, as passed by the Senate on March 3, 1958.

(22) Section 505 of the House amendment authorizes the Commodity Credit Corporation to donate cotton acquired through price support operations to educational institutions for use in training students in processing and manufacturing cotton into textiles.

At present some manufacturers furnish

some of the textile colleges, free of charge, supplies of synthetic fibers for use in training students in processing and manufacturing methods. This has resulted in some schools doing far more work with the synthetic fibers than with cotton since they are required to purchase the cotton. The House amendment would authorize CCC to furnish cotton to educational institutions for training purposes. The Department of Agriculture estimates that annual donations would not exceed 100 bales.

#### EXHIBIT A

##### *Duties collected on wool and wool manufactures imported into the United States*

[In thousands of dollars]

| Period                                                                                                           | Total duties collected |                         | 70 percent of duties collected |                         |
|------------------------------------------------------------------------------------------------------------------|------------------------|-------------------------|--------------------------------|-------------------------|
|                                                                                                                  | Specific duties only   | Specific and ad valorem | Specific duties only           | Specific and ad valorem |
| Calendar year:                                                                                                   |                        |                         |                                |                         |
| 1953.....                                                                                                        | 50,733                 | 75,769                  | 35,513                         | 53,038                  |
| 1954.....                                                                                                        | 36,262                 | 56,635                  | 25,390                         | 39,644                  |
| 1955, January-March.....                                                                                         | 11,075                 | 15,658                  | 7,752                          | 10,961                  |
| Marketing year:                                                                                                  |                        |                         |                                |                         |
| 1955.....                                                                                                        | 44,972                 | 73,572                  | 31,480                         | 51,500                  |
| 1956.....                                                                                                        | 40,226                 | 73,752                  | 28,157                         | 51,626                  |
| 1957 <sup>1</sup> .....                                                                                          | 31,760                 | 66,463                  | 22,232                         | 46,524                  |
| Cumulative totals from Jan. 1, 1953, as provided under the National Wool Act of 1954, through Mar. 31, 1958..... | 215,038                | 361,849                 | 150,524                        | 253,294                 |
| Average per year.....                                                                                            |                        |                         | 28,554                         | 48,466                  |

<sup>1</sup> March 1958 estimated.

Source: Compiled from data furnished by the Treasury Department.

#### EXHIBIT B

##### *Projections of payments under wool payment program and duty collections available for payments under S. 4071 as passed by the House, Aug. 14, 1958*

| Period                              | Price of wool     | Total payments |              | Duty collections available for payments <sup>1</sup> |                          |
|-------------------------------------|-------------------|----------------|--------------|------------------------------------------------------|--------------------------|
|                                     |                   | Year           | Cumulative   | Year                                                 | Cumulative               |
|                                     | Cents             |                |              |                                                      |                          |
| Jan. 1, 1953, to Mar. 31, 1955..... |                   |                |              |                                                      | \$103,643,000            |
| 1955 marketing year.....            | 42.8              | \$57,615,000   | \$57,615,000 | \$51,500,000                                         | 155,143,000              |
| 1956 marketing year.....            | 44.3              | 51,870,000     | 109,485,000  | 51,626,000                                           | 206,769,000              |
| 1957 marketing year, estimated..... | 53.7              | 17,100,000     | 126,585,000  | 46,524,000                                           | 253,293,000              |
| 1958 marketing year, projected..... | <sup>2</sup> 40.0 | 74,200,000     | 200,785,000  | 42,000,000                                           | <sup>3</sup> 295,293,000 |
| Average per year.....               |                   | 50,000,000     |              | 48,500,000                                           |                          |

<sup>1</sup> 70 percent of all duties on imports of wool and wool manufactures instead of 70 percent of the specific duties only.

<sup>2</sup> Price of April 1958 was 37.7 cents, May 36.3 cents, June 37.7 cents, and July 37.4 cents.

<sup>3</sup> On the basis of these projections, there would be a reserve remaining of around \$90,000,000 to cover payments in future years when the duty collections for the year may not be sufficient to cover the required payments.

Mr. ELLENDER. I move that the Senate concur in the amendments of the House.

Mr. HUMPHREY. Mr. President, I have assured the chairman of the committee and the majority leader that it is not my desire to delay a vote on the measure before us. I do not find the bill to be satisfactory. It is even less satisfactory than the bill the Senate passed and against which I voted, out of conviction.

I am pleased to have the assurance that as weaknesses in the law are revealed the Senate will have an opportunity to do something about them. I am very pleased to have that assurance. I have great faith and trust in the chairman of the committee. We have a very good Committee on Agriculture and Forestry. Of course I believe that we shall attempt next year to remedy some of the mistakes we have made this year, and eliminate the weaknesses which will be found to exist in the law.

However, next year we shall be faced with the same situation. The committee is not happy with the bill. I have never known so many Senators to express their unhappiness with any one piece of proposed legislation as I heard in executive session of the Committee on Agriculture and Forestry with reference to this bill. At one time the committee voted, by a majority vote of 9 to 6, I believe, to send the bill to conference, in the hope that some mild or moderate improvements might be made in it. That vote was later reversed because of the unwillingness of the House to have a conference.

That, of course, meant that the producers of cotton and rice, in particular, would find themselves in an almost impossible situation.

The conditions to which I have referred, and which will confront us next year, are the conditions which are prevalent this year. On Saturday we were told several times that if we tried to

amend the social security bill, it would be vetoed.

An item veto is, of course, unconstitutional; at least, there is no statutory authority for it. However, a form of item veto is being practiced. It is a kind of veto of a proposal pending in Congress, and this is how it works. We are notified by a Department head or by the Bureau of the Budget or by someone who says he can speak for the President, that if this, that, or the other action is taken, the bill will be vetoed. Therefore, the action of this legislative body is limited very narrowly. We have little or no opportunity to do anything more than what the administration will stand for. We were told over and over again with reference to farm legislation that if we added any provisions relating to the dairy industry, the bill would be vetoed. We were told that if we added any provision relating to wheat or added any higher price supports for feed grains, the bill would be vetoed. Therefore, what we got was the irreducible minimum. We were able to get an extended program for cotton and rice farmers merely because they had to have it.

The price we had to pay for that was to have the administration force upon us certain revisions in the feed grain program, particularly with reference to corn. I am not satisfied with that. I will make a prediction in that connection. However, first of all, I will state that no one else seems to be satisfied. I predict that the surpluses will mount to an astronomical proportion. Prices for the grains will go disastrously low, and in a period of 2 years the price of livestock will be affected disastrously. I further predict that within a period of 1 year the price of pork and swine will be adversely affected. I do not claim to be any kind of prophet. One does not have to be a prophet to know this. I predict, as a result of the action we are about to take, particularly in connection with the feed grain section of the bill, that before the new Congress convenes, a depressing effect will be visited on commodity prices of hogs and cattle, pork and beef.

I want that statement to stand in the RECORD. When we come back in January I should like to have someone call it to my attention. Before the next crop year is out, the feed grain section will have taken its toll. We have been told that we will remove it. I know we will attempt to remove it. I also know that we will be told that if we change it or try to improve it, the bill will be vetoed. Let us make no mistake about this, Mr. President. Let this RECORD be perfectly clear. Assistant Secretary of Agriculture Marvin McLain came before our committee and stated categorically that he was opposed to any type of floor under feed grain prices, including corn. He said if a bill with floors in it were passed, the administration would come back next year and ask for their removal. He is an honorable man. He has forewarned us. I have nothing personal against him. That is his policy. That is the policy which is being pur-



sued. We must look forward to that unhappy situation.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LANGER. Is not the present bill worse than the one the Senate passed a short time ago?

Mr. HUMPHREY. I believe it is, from the point of view of the Midwest farm producer; I think it is less meritorious than the one I thought had anything but merit in it, and which the Senate passed. North Dakota produces very little corn, but it does produce a good deal of barley, rye, and oats. North Dakota is a small corn producing State. Of course, it is a major wheat producing State. Nevertheless, corn producers in the commercial corn area, as designated by the Secretary of Agriculture, will determine what amount of feed grain North Dakota is to have. In other words, the producers of corn, which is the primary feed grain, will determine the price of the secondary feed grains under this proposal. The Senate bill had a better provision in it because, as the Senator from South Dakota [Mr. MUNDT] said awhile ago, at least there was a floor under the prices of feed grains.

I know that the Secretary of Agriculture and the Department of Agriculture have never reduced feed grain prices below 60 percent of parity. I think that is a factual statement. I hope they will not. But I would be less than honest if I did not say that there is a mechanism in the bill to reduce the feed grain prices considerably below 60 percent of parity. As a matter of fact, if the formula is followed on the basis of the average for corn for the past 3 years, which is \$1.15 price support, there could be a support level of below 40 cents a bushel for oats. That is a matter of mathematical calculation under the formula.

I believe the record is being made tonight that there is not a member of the Committee on Agriculture and Forestry who expects the Secretary of Agriculture to reduce feed grain prices below 60 percent of parity. If he does, he will undoubtedly hear from the members of the Committee on Agriculture and Forestry.

Mr. Marvin McLain, Assistant Secretary of Agriculture, was again in attendance at the executive meeting of the committee, and I asked him whether the prices of secondary feed grains would be related to the price of corn strictly on the basis of feed equivalent value, which would give a little higher price for feed grains. He said no; that other factors are involved, and that they include such things as the amount of production and the availability of supply.

The only hope is that before the feed grain proposal can really go into effect, another Congress will be in session. I think that is what the chairman was saying. The chairman said it is mandatory that we afford some relief for cotton and rice. There is no doubt about that.

While the feed grain section in the bill, to my mind, is weak and could lead to very serious consequences, another Congress will be convening next January. At the first session of the 86th

Congress, one of the first things we will do is to look into this section.

Mr. LANGER. Mr. President, will the Senator further yield?

Mr. HUMPHREY. I yield.

Mr. LANGER. Is it the view of the Senator from Minnesota that because cotton and rice will be taken care of, therefore the bill should be passed?

Mr. HUMPHREY. I think my view is quite well known. I am not for the bill. But I made my view clear on the bill once before. I realize the predicament of some of our colleagues and the areas which they represent. The bill contains provisions relating to wool. From the standpoint of North Dakota and Minnesota, this is a very important matter. This apparently will be the only chance we will have to vote on an extension of the Wool Act.

But I think we ought to know what we are doing. We should know that we are not passing legislation which will help the dairy farmer. We are not passing legislation which will help the small grain producer. We are not passing legislation which will help the producer of beef cattle. Make no mistake about it, one of the laws of agricultural economics is that cheap feed grain results in cheap cattle and that cheap feed grain results in cheap pork. That is just as much a law as the laws of physics and light.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ELLENDER. The Senator from Minnesota has been comparing the present bill with the Senate bill.

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. Let us compare it with the present law. Is it not true that under the present law the price support is from zero to 90 percent.

Mr. HUMPHREY. That is correct, and it still is with respect to feed grains in this bill.

Mr. ELLENDER. No; it must be related with corn.

Mr. HUMPHREY. It provides for a fair and reasonable price; but the floor was taken out from under feed grains.

Mr. ELLENDER. In the Senate bill.

Mr. HUMPHREY. No; in the House bill.

Mr. ELLENDER. No; the House took out what was in the Senate bill.

Mr. HUMPHREY. That is correct.

Mr. ELLENDER. But under the present law—

Mr. HUMPHREY. It is from zero to 90 percent.

Mr. ELLENDER. Exactly. The small grain grower is in a better position than he was in the other bill.

Mr. HUMPHREY. However, the zero-to-90-percent price support for feed grains is also related to the price support level for corn in commercial feed grain areas. The price of corn, when this bill goes into effect, will go down to \$1.14 a bushel, as compared with about \$1.40 now in commercial areas. Next year, the 3-year average will be \$1.16. That is 1 cent higher than the basic law will permit. If we relate the feed grain price

back to the old grain price, feed grain prices will be bound to be lower.

My views on agricultural legislation are well known. If anyone thinks this bill will reduce production, he is wrong. The bill will increase production. The bill will increase the problems of surpluses. The bill will not stimulate prices; it will only stimulate the accumulation by the Government of vast stocks and stores of agricultural commodities.

I think the time is at hand for Senators of good will—and we are all, I trust, Senators of good will—to try to join hands to find a new formula for agricultural policy. I think we have argued for years, until we have reached the point of almost irreconcilable areas in agricultural economics. This is unfortunate.

The Senator from Georgia [Mr. TALMADGE] opened up this area of discussion sometime ago, when he said we needed to take a brand new look at agricultural policy. I, too, think we should do so. I believe some of the principles incorporated in the Wool Act might well be applied to some of the other commodities. I do not think we can have a general farm program which will include all commodities. I think it is necessary to design a program for each commodity.

When we come back next year, I want to sit down and, in a most objective and helpful manner, try to find the answer. I am tired of the arguments. I think the arguments about agricultural policy have cost the taxpayers billions of dollars. We have never had a more expensive program. I sometimes wonder what has come over us. Imagine spending more than \$6 billion a year for agriculture, which has a net income of under \$12 billion. Fifty percent of the total net income of agriculture today comes out of the Federal Treasury.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. YOUNG. I do not believe that is a correct statement. The \$6 billion includes funds for REA and FHA loans, and funds to provide school lunches and many other similar programs. Loan programs such as REA have a nearly 100 percent repayment record.

Mr. HUMPHREY. That is correct. I am saying that the total budget for agriculture is \$6 billion. The budget contains all these other items. Please do not misunderstand me. All I am saying is that the budget for agriculture has grown from \$1,900 million to \$6,150 million in 1958. The budget has grown by \$5,750 million in 6 years, with fewer farmers, fewer farms, fewer acres, lower prices, lower net income, and more surpluses. If any more evidence is needed as to the necessity for reexamining what we are doing and the policies which have been pursued within recent years, I do not know what more evidence we need.

I am prepared to go before the American people and to say that a program such as we have had in recent years, which has resulted in the constant diminution of agricultural income, the constant reduction in agricultural prices, the constant increase in agricultural indebtedness, the constant increase in



agricultural surpluses, and the constant increase in cost to the American people in a program which cannot be justified.

I regret to say that the bill before us is simply another one of the bills in furtherance of that kind of unworkable program.

Mr. JOHNSTON of South Carolina. It has also resulted in a constant decrease in the number of farmers.

Mr. HUMPHREY. The Senator is correct.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. What is the provision in the House bill which apparently we are being urged to accept concerning the minimum price for corn?

Mr. HUMPHREY. The minimum price is 65 percent of parity, which under the present parity schedule or scale figures out to \$1.14 a bushel. It figures out to 4 cents higher for corn than does the Senate bill. But the Senate bill provided a floor under feed grains at 60 percent. That floor has been removed. From now on, feed grain prices will be related not only to the feed grain equivalent of corn, but to other factors, including the price of corn. I think we ought to know what we are doing. We are going to do it anyhow, but I think we ought to know what we are doing.

Mr. DOUGLAS. Do I understand that members of the administration take the position that this is only a transitional program, so far as they are concerned, and that at the earliest possible opportunity they will try to do what they tried to do on the farm bill a few weeks ago, namely, abolish all legislative price supports for corn?

Mr. HUMPHREY. I do not know whether the administration intends to abolish all price supports for corn, but I think it intends to abolish any floors under price supports. That is the position of the administration as expressed by Mr. Marvin McLain, Assistant Secretary of Agriculture.

Mr. DOUGLAS. That is, any legislative floors.

Mr. HUMPHREY. That is correct; any legislative floors.

Mr. DOUGLAS. So as to give to the Secretary of Agriculture the complete discretion between zero and 90 percent?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. Is it not true that the Secretary believes in establishing a purely competitive market price for corn?

Mr. HUMPHREY. I believe that is correct.

Mr. DOUGLAS. Is it not true that the two defects in accepting market price as determinative in the case of most farm products, are, first, that the demand is inelastic—that if there is an increase of 5 percent in the quantity of most farm products then the price per unit will decrease by a rate proportionately 2 or 3 times that of the relative increase in quantity? This would mean a fall in unit price by from 10 to 15 percent. Therefore gross income, or unit price times quantity, would decrease. The income of the farmers as a whole and also for most individuals

would decrease. Farmers as a whole would receive less for producing more.

Mr. HUMPHREY. Yes; and we have seen that demonstrated fairly well in recent years.

Mr. DOUGLAS. Furthermore, is it not true in the second place that in the case of the owner-operated farm, when the farmer's income is decreased, then, instead of producing less, he will work harder and will produce more, simply because he has to meet his fixed costs—in other words, interest, taxes, depreciation, and the cost of maintaining his family?

Mr. HUMPHREY. Certainly that has been what has developed—either that, or the farmer goes to the city and tries to get a job there, and thus becomes a competitor in an already rather full labor market.

Mr. DOUGLAS. So there are at work two forces which make things worse, instead of better: First of all, when the price is lowered—whether this is because of increased output or lowered legal price supports—the farmer—who must do all that he can to maintain his income, in order to be able to pay his fixed costs—works harder, and thus produces more. And as total output is increased, the price on the market falls still more.

In such a situation we are almost confronted with the sad fact that the harder the farmer works and the more he produces, the less his total income.

Mr. HUMPHREY. Yes; the farmer's income has fallen, and has fallen again.

Mr. DOUGLAS. And on the owner-operated farms, as the price on the market falls, the farmer works all the harder, and produces all the more, in an attempt to meet his fixed costs; but the ensuing increased production decreases the price still further, and causes gross and net farm income to fall. This causes the farmer to work all the harder, and thus to produce all the more, so that the cumulative result is a worsening condition. Is not that true?

Mr. HUMPHREY. It certainly is—as demonstrated by the experience in the last 2 years.

Mr. DOUGLAS. So it is obvious, is it not, that the program preached by the Department of Agriculture is ill-conceived and is fundamentally incorrect because it is based on the false assumption that lower prices will bring a large enough increase in demand to produce a higher total income? They assume an elastic demand and a positively sloping supply curve.

Mr. HUMPHREY. I have felt that that was the case. The Department has opposed high prices or a higher price support program; but by removing the controls which accompany the price support program, the result has been only to irritate the problem.

Mr. DOUGLAS. I think the Department has assumed that the demand for farm products has been elastic; namely, that if output is increased, although the unit price will fall, it will not fall in the same proportion that the gross income and the net income will increase.

Mr. HUMPHREY. That is correct, The Department has proceeded on the

theory that a reduction in price would result in a reduction of production. But that has not proved to be the case. Instead, the result of a reduction in price has been an actual increase of production.

Mr. DOUGLAS. That is the second point; namely, that the Department has said that a reduction in unit price would not only cause an initial increase in income, but that, in addition, a decrease in the unit price would cause the farmers to produce less. Is not that true?

Mr. HUMPHREY. Yes; but it has not worked out that way.

Mr. DOUGLAS. I think that experience forms the basis of the conclusion—and this is a matter about which I have thought for many years, and I think the conclusion is now conceded by virtually everyone—that, with the exception of citrus fruits, and possibly milk, certainly the demand for most farm products is inelastic; and because of the evidence that I have seen for the years 1929–32 and in more recent years, I am convinced that, except in the case of large-scale commercial farms, the large decrease in unit price, and the resultant decrease of gross and net income will cause the farmers to try to produce more units, in order to be able to obtain sufficient income to meet their fixed costs.

Mr. HUMPHREY. Which is exactly what the farmers have done.

Mr. DOUGLAS. It is for that reason that I have opposed the program of the administration, because I believe it is intellectually incorrect.

Mr. HUMPHREY. I think it is both intellectually incorrect and economically incorrect; and I am sure that is what the Senator from Illinois meant.

Mr. LANGER. Mr. President, will the Senator from Minnesota yield for one more question?

Mr. HUMPHREY. I yield.

Mr. LANGER. I wish to say that I voted for all the Humphrey amendments to the bill.

Mr. HUMPHREY. I appreciate that very much.

Mr. LANGER. I voted for the bill because of the wool provisions the bill contained.

Let me ask what the bill, as now amended by the House, would do?

Mr. HUMPHREY. It removes all of the difference between the commercial corn areas and the noncommercial corn areas.

Mr. LANGER. I thank the Senator from Minnesota for the explanation.

Mr. HUMPHREY. Mr. President, just a final word about Public Law 480. I believe all of us regret the delays which have occurred in connection with the extension of Public Law 480. But the delays have not been the fault of Congress. Year in and year out, I have said that Public Law 480 should be extended for more than 1 year at a time. I have emphasized the necessity of long-range planning in connection with Public Law 480.

Now the administration has a plan which will lock up the extension of Public Law 480 on the basis of 5 years. In fact, the letter to which we have referred shows that the report—which was writ-



ten by Mr. John Davis, who now is associated with the State Department—sets forth the desirability of a 5-year extension, which is being recommended by high officials.

It is regrettable that Congress has gone along with the proposals for a 1-year extension. This year the Senate voted for a 2-year extension; and I certainly hope that in the conference our conferees will be able to maintain the provision for a 2-year extension.

I believe that the legislation now proposed is not good. I happened to support the Wool Act provisions of the bill. I regret that we found ourselves in a situation which has made it necessary for the Members of the Senate to accept a legislative program which will work to the detriment of the particular areas many Senators represent.

I, as one Senator, wanted to do all I could for the relief of distress in one section of the country. I felt that such relief of distress could have been accomplished by means of Senate Joint Resolution 162, which the President vetoed. Certainly that relief could have been provided by means of such a joint resolution.

But in attempting to provide relief for the cotton producing areas and the rice producing areas of the country, there has been started in motion a breakdown of the agricultural policies of the Midwest, the great breadbasket of the Nation. Unless we can put a stop to this, next year, by means of making provision for new programs which will meet the needs of the producers of those commodities, we shall have to say that the agricultural program has literally been chipped away piece by piece, and that finally its very foundations have been eroded.

That is why I ended my previous discussion of the bill, as passed by the Senate,—and, tonight, I shall end my remarks the same way—by saying that at this time we see the last stages of the process of erosion and corrosion of a great agricultural program, which has been chipped away bit by bit by the administration's tactics of divide and conquer; and, as the result of the use of executive power, we have witnessed a breakdown of an important farm policy which thus far has really helped the agricultural segment of the Nation. Now that program has been broken down—but not by my vote.

I consider the pending measure one which will punish the agricultural segment of the country; and, therefore, this measure will not have my vote.

Mr. YARBOROUGH. Mr. President, I believe that all of us agree that the wool provisions of the pending measure are good. The Wool Act expired this year. It has worked well. The State I represent is one in which wool is produced. I wish to commend the committee for providing for the extension of the Wool Act—even though the extension provided for is not the one we sought. In the committee, we sought a 4-year extension. The pending measure would extend the Wool Act only 3 years. But I believe all of us agree that that part of the bill is a good one.

As to the cotton-producing and rice-producing areas, I agree with my distinguished friend, the Senator from Minnesota, that all of us wish to have enacted a bill which will help develop a prosperous agricultural economy in the Nation.

The cotton-producing and rice-producing areas were in a situation in which a failure to extend those provisions for 1 year would mean absolute ruin to the farmers who produce those crops, and, thus, hundreds of thousands of farm families would be forced off the land. The question was not whether they would be able to make money or be prosperous; the question was solely one of whether they would have to leave the land. When they leave the land, the stores in the towns in those areas close, and the cotton mills close, and whole towns, with populations of up to 5,000, die. In addition, sizable parts of the markets for many industries in the North are cut off, because once the farmers leave the land and once the towns in those areas die, the markets which formerly existed in those towns for commodities produced in the North cease to exist.

Those farmers were forced off the farms and into the towns, where they had to walk the streets; most of them could not obtain employment, because they were too old.

So the pending measure does not make for prosperity for the cotton belt and the rice belt, whereas certainly our purpose has continued to be the taking of steps to prevent the destruction of whole areas in the cotton-producing and rice-producing States. In those areas the bill will not be considered a good one.

However, instead of finding fault with the committee—of which I am not a member—I wish to express my gratification for the committee's action to give those in these groups a transitional period; and I thank the committee members for taking steps to give them such a transitional period.

Mr. COOPER. Mr. President, I ask unanimous consent to have a statement prepared by me on this bill, printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR COOPER

I am glad that with Senate passage of this bill (S. 4071) this Congress will have added constructive farm legislation to its other accomplishments. I believe it is generally agreed that this major farm bill will be helpful to hundreds of thousands of farmers, and that it is the best bill that can be enacted at this time. It is badly needed.

The bill deals with the price-support programs for wool, cotton, rice, and corn.

I am particularly interested in the extension of the National Wool Act, which is important to the 10,000 farmers in my State who have flocks of sheep. I was one of the cosponsors of the original bill to extend the National Wool Act, which since its inauguration has reversed the decline in sheep production in Kentucky. The 3-year extension of the incentive program for wool, including the self-help promotion plan which is included in this bill, should insure the continued growth of lamb and wool production, with fair returns for our sheep farmers.

Although Kentucky is not known as a cotton State, several western Kentucky counties produce cotton. The cotton program established under this bill is favored by our cotton growers, and it will be helpful to them. Without legislation, all cotton growers would have to take a severe cut in acreage next year, estimated at 22 percent of their present allotments. Ninety percent of our Kentucky cotton farmers have allotments of 10 acres or less. Under the small-farm provisions of this bill, these farmers will not have their cotton acreage reduced. In addition, for 1959 and 1960, all cotton growers will have a choice of price support at 80 percent of parity, or price support at 65 percent of parity if they choose to increase their cotton acreage by up to 40 percent. For the 1961 crop, price support would be offered at not less than 70 percent of parity, and a floor of 65 percent of parity would be in effect after that.

A new plan for corn is included in the bill before us. Corn allotments in the commercial corn area would be eliminated under this plan. But price supports are guaranteed at 90 percent of the 3-year average market price received by farmers, or 65 percent of parity, whichever is higher. In addition, the House amendment provides that the new plan be subject to a referendum of corn farmers, so that they will choose between the new plan and the present corn programs.

When S. 4071 was first before the Senate last month, I raised questions both about the policy it represented, and about its possible effect on farmers' prices. I pointed out in a speech on the Senate floor that the change in the corn program might lead to proposals in the future that our tobacco program of full 90 percent support prices for tobacco be also changed.

I believe the House amendments to the bill make this farm bill a better one, because it preserves for farmers price supports based on parity, for cotton and rice. The corn plan, which has received widespread support from the Kentucky farm bureau and many others, provides that all farmers will receive a support price equal to 90 percent of the preceding 3-year market average price as a basis for preventing losses due to seasonal declines and bumper crops, or a price-support program based on parity with production controls chosen by the vote of the farmers, themselves. Under the plan first brought before the Senate, corn farmers would have had no choice but to abandon the present price-support and production-control program, based on parity, and take supports based on 90 percent of the 3-year market average.

The House amendment, however, as I have said, gives the farmers a choice. I do not believe it abandons the parity concept, for no one suggests that farmers be given price support based on parity unless they vote for it. In addition, the House has provided minimum support levels for corn at 65 percent of parity in any event. Under the bill now before us, corn farmers, themselves, may judge whether the new or the old plan is in their best interests.

The other question I raised during the Senate debate, in addition to the wisdom of abandoning the parity concept for several of the "basic" crops, was what the effect of the proposed corn plan would be on corn production, the cost to the Government in the event corn production was substantially increased, and, most important, farmers would receive for their corn. These questions concerned me. Before the referendum is held on the new corn plan, I hope farmers will be given accurate estimates of the price of corn in future years under the new plan, of anticipated production, and the effect of that production on surplus supplies of corn.

When the bill was first before the Senate, I voted for the Humphrey corn amendment, as in fact did many members of the Senate



Committee on Agriculture, which would have given each corn farmer a choice similar to that offered cotton farmers under the bill—production controls with price support at 85 percent of parity (about \$1.50 for 1959), or unlimited production at a lower level of price support. The Humphrey amendment provided production controls for all feed grains, and I felt it could reduce surpluses while insuring fair prices for corn and livestock farmers. But the Humphrey corn amendment was defeated by the Senate.

Now I will vote for the bill as modified, and as I think, improved by the House. I do so because it preserves the parity concept of price supports, in my opinion. And it leaves the question of the new corn plan up to the corn farmers themselves.

I vote for the bill for one additional reason. The long hearings in this Congress, and the debate in both Houses, shows how difficult it is to obtain constructive legislation on several commodities wrapped up in one bill. The program needed by each commodity becomes involved in the difficulties of the others. It is well-known that farm legislation was very nearly not adopted by this Congress for that reason.

I am glad that the farm bill makes no change in the 90-percent support price for burley tobacco, and the existing support prices for dark air-cured and dark fire-cured tobacco. I have spoken several times in the Senate this year against any change in our tobacco program, and I will continue to support our tobacco farmers.

I am glad that the Congress will complete action today on this major farm legislation. I will vote for it, and I hope it will prove helpful to our wool, cotton, and corn growers in Kentucky.

**The PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Louisiana [Mr. ELLENDER] that the Senate concur in the amendment of the House.

The motion was agreed to.

**Mr. JOHNSON** of Texas. Mr. President, I move to reconsider the vote by which the Senate just concurred in the House amendment.

**Mr. DIRKSEN.** Mr. President, I move to lay that motion on the table.

**The PRESIDING OFFICER.** The question is on agreeing to the motion of the Senator from Illinois to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

#### THE PRIVATE DOLLAR

**Mr. MARTIN** of Iowa. Mr. President, it has long been my contention that the private dollar sent abroad will do more to promote our economy than public funds. I fully realize that foreign aid has a definite place in this picture, but I have repeatedly opposed vast new spending programs such as SUNFED—Special United Nations Fund for Economic Development. I believe the creation of a satisfactory investment climate abroad will do more to help our friends develop their own resources than grants from our Government.

In an editorial on August 10th entitled "The Private Dollar," the Sunday World-Herald, published in Omaha, Nebr., shows what can be accomplished through American free enterprise. This editorial expresses thoughts which I have voiced so often that I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### THE PRIVATE DOLLAR

In 6 weeks, at the current rate of spending, the United States will pass out \$400 million in foreign aid.

That sum happens to be equivalent to the total assets of the United Fruit Co., which operates a huge enterprise in Latin-America. It cultivates more than a million acres of land, operates 61 ships and 1,400 miles of railroads, digs oil wells, and operates metal mines. It spends as much as \$139 million in 1 year in 6 Central and South American countries and provides foreign-exchange benefits of 76 millions. It leaves in these countries \$7 for every dollar it takes out in profits.

We cite these figures because United Fruit is often cited as a prime example of United States imperialism. It is pictured, and not only by Communists, as a corporate giant which crushes poor little countries under its heel and drains their substance.

A study by the National Planning Association, from which the above figures were taken, shows how misleading this picture is. United Fruit spreads new housing, schools, hospitals wherever it goes—and its stockholders make only a modest profit, having received no capital gains in 11 years.

"As an enlightened employer in underdeveloped lands," says Barron's Weekly, "it (United Fruit) is running a private program far more comprehensive than the much touted point 4."

The financial magazine concludes that such private investment abroad has accomplished far more than the public dollar which is accompanied only by fuzzy philanthropy.

Now for a quick change of scene.

The Republic Aviation Co. is betting \$35 million private that it can do something profitable about research in outer space.

Since the Federal Government is spending billions of dollars on research—some 250 millions just for administrative expenses—Republic Aviation's \$35 million may sound pretty small. But to Republic stockholders, whose money it is, it is a tremendous risk.

And what does Republic expect to get for its money?

An official explains that after 4 years of study the company hopes to find out how to send a platform into outer space. Not to do it, but just to know how. Republic is gambling that it will learn a lot of things by spending \$35 million which Government researchers, with all their billions, won't discover. And it expects to turn that knowledge to practical use and a profit.

Here are just two examples of the private dollar at work in fields which are generally thought to be the sole province of Government.

It seems to us that if the Federal Government would cheer on progressive and risk-taking business instead of penalizing them, we free-enterprise Americans might do a great deal more to move the human race onward and upward.

#### THE CONFUSING STRAWS

Detroit's automakers are confused, and understandably. They have been looking for straws in the wind to show what the public wants—or, more specifically, is going to want in the future—in the way of cars. There are plenty of straws. The trouble is that they blow in different directions.

For example: While sales of Detroit's long, low, gleaming cars are badly off, sales of foreign cars are booming. The foreign cars are generally small, economical to operate, relatively low-priced, and austere in ornamentation. The only American car selling comparatively well (up 50 percent) is the 100-inch American Rambler, which resembles the foreign cars though it is a little larger than most. Does this mean that Americans are

tired of chrome, and pine for the simplicity of the Ford Models T and A?

If so, what about the Oldsmobile? It is the only medium-priced American car selling well, and it is perhaps the chromiest of the lot.

If people want low-priced cars, why are the most expensive models in some lines (the Chevrolet Impala for example) selling better than less expensive models?

#### SENATOR MURRAY'S ADDRESSES ON PRESIDENT THEODORE ROOSEVELT AND CONSERVATION—ORDER TO PRINT AS SENATE DOCUMENT

**Mr. NEUBERGER.** Mr. President, I think we are all very much aware that this year we are celebrating the centennial of one of our greatest Presidents and leaders, Theodore Roosevelt. Much has been and is being written of his contributions to the Nation in the many fields of his varied interests, but I feel that not enough attention has been given to his greatest service—the launching of the conservation movement on the vast sea of world history. Earlier this year the senior Senator from Montana spoke of Theodore Roosevelt as the Godfather of Conservation, explaining:

I have called Roosevelt the Godfather of Conservation, because although he did not sire it he raised it, gave it status, and endowed it with spiritual fervor.

Mr. President, no Member of this body has been truer to the principles of conservation established by Theodore Roosevelt than the great senior Senator from Montana [Mr. MURRAY], who now serves with such distinction as the chairman of the Committee on Interior and Insular Affairs. His estimate of the service performed by our 26th President finds an echo a half-century ago in an article written by another great Senator the month Theodore Roosevelt stepped down from the Presidency; in March 1909, Senator Robert M. La Follette, Sr., writing in the Progressive of Roosevelt's initiation of the conservation movement, said:

Nothing can be greater or finer than this. It is so great and so fine that when the historian of the future shall speak of Theodore Roosevelt he is likely to say that he did many notable things, among them that of inaugurating the movement which finally resulted in the square deal, but that his greatest work was inspiring and actually beginning a world movement for staying terrestrial waste and saving for the human race the things upon which, and upon which, alone, a great and peaceful and progressive and happy race, life can be founded.

What statesman in all history has done anything calling for so wide a view and for a purpose more lofty?

Similarly, in his proclamation of October 22, 1957, President Dwight D. Eisenhower called upon the people of our country "to observe the 100th anniversary of Theodore Roosevelt's birth throughout the centennial year beginning October 27, 1957, by appropriate activities and ceremonies, by the study of his life and teachings, and above all, by individual, personal rededication to those responsibilities of American citizenship which he so zestfully fulfilled."



On March 4 of this year the senior Senator from Montana [Mr. MURRAY] summarized on the Senate floor much of the conservation doctrine which Theodore Roosevelt taught, and on May 13 he discussed the first great conference on conservation, the first governors' conference of May 13-15, 1908. Therefore, Mr. President, in line with the request of President Eisenhower in his proclamation I ask unanimous consent to have printed as a Senate document these two presentations by Senator JAMES E. MURRAY, with whatever minor changes, addenda, or corrections the Senator may wish to make to his original text.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolutions of the Senate:

S. 765. An act to increase the authorization for the appropriation of funds to complete the International Peace Garden, N. Dak.;

S. 2517. An act to amend sections 2275 and 2276 of the Revised Statutes with respect to certain lands granted to States and Territories for public purposes;

S. 2530. An act to designate the beneficiary of the equitable title to land purchased by the United States and added to the Rocky Boy's Indian Reservation, Mont.;

S. 2592. An act to amend the law relating to the execution of contracts with Indian tribes;

S. 2594. An act to transfer certain property and functions of the Housing and Home Finance Administrator to the Secretary of the Interior, and for other purposes;

S. 2922. An act to authorize per capita payments to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation, and for other purposes;

S. 3139. An act to repeal the act of July 2, 1956, concerning the conveyance of certain property of the United States to the village of Carey, Ohio;

S. 3203. An act relating to minerals on the Wind River Indian Reservation in Wyoming, and for other purposes;

S. 3534. An act to authorize the Secretary of the Army to convey approximately 181 acres of land at Fort Crowder Military Reservation to the city of Neosho, Mo.;

S. 3564. An act to accord coverage under the Civil Service Retirement Act to certain temporary rural carriers;

S. 3572. An act to authorize land exchanges for purposes of the George Washington Memorial Parkway in Montgomery County, Md., and for other purposes;

S. 3682. An act to authorize the sale or exchange of certain lands of the United States situated in Pima County, Ariz., and for other purposes;

S. 3723. An act to amend Public Law 522, 84th Congress (relating to the conveyance of certain lands to the city of Henderson, Nev.);

S. 3873. An act to amend section 201 of the Federal Property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds;

S. 3882. An act to amend the act of July 1, 1948, chapter 791 (24 U. S. C. 279a), provid-

ing for the procurement and supply of Government headstones and markers;

S. 3986. An act to authorize the Secretary of the Interior to enter into an agreement for relocating portions of the Natchez Trace Parkway, Miss., and for other purposes;

S. 4004. An act to encourage and authorize details and transfers of Federal employees for service with international organizations;

S. 4167. An act to authorize the lease of Papago tribal land to the National Science Foundation, and for other purposes;

S. 4191. An act to maintain existing minimum postage rates on certain publications mailed for delivery within the county of publication;

S. 4287. An act to amend the act of July 27, 1956, relating to detention of mail for temporary periods in certain cases;

S. J. Res. 178. Joint resolution authorizing the President of the United States of America to proclaim February 8-14, 1959, as National Children's Dental Health Week; and

S. J. Res. 190. Joint resolution to approve the report of the Department of the Interior on Red Willow Dam and Reservoir in Nebraska.

#### EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business and take up nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to consider executive business.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask that the Senate begin with the nominations under "New Reports" first.

#### TAX COURT OF THE UNITED STATES

The legislative clerk read the nomination of William M. Drennen, of West Virginia, to be a judge of the Tax Court of the United States for the remainder of the unexpired term of 12 years from June 2, 1956.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### UNITED STATES ATTORNEYS

The legislative clerk read the nomination of B. Hayden Crawford, of Oklahoma, to be United States attorney for the northern district of Oklahoma.

Mr. JOHNSON of Texas. Mr. President, I ask that that nomination be passed over temporarily.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

The legislative clerk read the nomination of Paul W. Cress, of Oklahoma, to be United States Attorney for the northern district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### B. HAYDEN CRAWFORD

Mr. JOHNSON of Texas. Mr. President, I ask that the Senate return to the consideration of the Crawford nomination.

The legislative clerk read the nomination of B. Hayden Crawford of Oklahoma, to be United States Attorney for the northern district of Oklahoma.

Mr. JOHNSON of Texas. I understand the chairman of the Committee on the Judiciary has a statement he desires to make on this nomination.

Mr. EASTLAND. Mr. President, a hearing was held on this nomination by a Subcommittee of the Committee on the Judiciary, and was particularly concerned with the allegation that Mr. Crawford had used the power of his office to intimidate the editor of a newspaper which had been critical of his actions in connection with the conduct of a grand jury. The subcommittee, in its deliberations, felt that the protest by Mr. R. P. Matthews, the editor involved, was perfectly justified on the basis of the facts known to him. The chronology of events—a telephoned threat following a critical editorial, then a subpoena, and finally a requirement that he take an oath of secrecy—was understandably construed as a calculated attempt to intimidate the press. Nor was the subcommittee impressed with Mr. Crawford's explanation at its hearing of the reason for which the subpoena was issued, or his derogatory comments toward Mr. Matthews which were unrelated to the issues of the hearing.

However, in view of the generally able job which Mr. Crawford has done as United States Attorney, and the inconclusive character of the testimony as to the incidents which led to Mr. Matthews' protest, the subcommittee did not feel that it had grounds to decline to recommend Mr. Crawford's confirmation. It is the view that this inquiry has served a useful purpose if it results in Mr. Crawford's use of greater care in the future to avoid any action which may be construed as interfering in any way with the free and frank discharge of its duties by the press. Such incidents can only serve to mar the otherwise splendid record which he is making in this office.

The subcommittee found that the fact that Mr. Matthews was required to take an oath of secrecy is properly a separate matter. In view of the fact that a respected and able Federal judge concurred in this requirement, Mr. Crawford can hardly be held accountable for it. The propriety or legality of requiring such an oath, and particularly of requiring it of a newspaperman, is a matter properly the subject of general congressional action looking toward a clearly defined rule to be applied on a uniform basis by the Federal courts.

The PRESIDING OFFICER (Mr. Jordan in the chair). The question is, Will











Two new streets have been opened in the Riverdale addition and several blocks of paving have been laid in the rest of the town, bringing the total paved area to approximately 112 square blocks, plus about 7 single streets in this town of only about 3,500.

In the past few months two new doctors have established their practices here; and a dentist, his practice to start September 1. With the roof barely on the new hospital, a dental clinic is already being added, and work on it doubled in order that the two will be completed simultaneously in the fall.

Mayor George Slack Woodress, the first new mayor here in 20 years, says, "If you want to get in on the ground floor here, in Smithville, now is the time."

## The Agricultural Act of 1958

### EXTENSION OF REMARKS

OF

## HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 20, 1958

Mr. COOLEY. Mr. Speaker, in response to numerous requests coming from throughout the country for explanatory matter with respect to the farm bill just approved by the Congress and now awaiting action by the President, I have prepared a concise statement on the provisions of this bill. With the permission of the House, I shall insert this matter in the Appendix of the RECORD:

### MAJOR PROVISIONS OF THE AGRICULTURAL ACT OF 1958

#### COTTON

With respect to cotton the bill prevents a reduction in the national cotton acreage allotment from 17,500,000 acres in 1958 to approximately 14 million acres in 1959. The bill provides a minimum national allotment of 16 million acres in 1959 and subsequent years. It stipulates that no individual grower who had an allotment of 10 acres or less in 1958 shall have his allotment reduced and provides 310,000 additional acres for this purpose.

The Secretary of Agriculture is authorized to give each cotton farmer a choice in 1959 and 1960 between:

(a) Remaining within his acreage allotment and receiving price supports in 1959 at no less than 80 percent of parity, and in 1960 at no less than 75 percent of parity.

(b) Planting up to 40 percent above his allotment and receiving price support on all the cotton he produces at not less than 15 parity points below the support level of the choice (a) producers who remain within their allotments. This would mean that in 1959 the support level for the choice (b) producers could be no lower than 65 percent of parity and in 1960 no less than 60 percent of parity.

Price supports for choice (a) farmers (those planting within their original allotments) would be through a Government purchase program, and cotton so purchased by the Commodity Credit Corporation, as well as any other cotton owned by the CCC, could be made available for sale, through July 31, 1961, for unrestricted use at not less than 110 percent of the then current level of support for choice (b) farmers. This would mean that in no event could the Government sell cotton at less than 71.5 percent of parity in 1959 nor less than 66 percent of parity in 1960. Thus it would be expected that (b) farmers (who plant above their basic allotments) might be able to dispose of their cot-

ton in the markets at prices above the support level for the (b) producers.

The (a) and (b) choice programs would be discontinued after the 1960 crop, and price supports would be set at the discretion of the Secretary for all cotton producers at not less than 70 percent of parity in 1961 and not less than 65 percent of parity for 1962 and subsequent years.

The new farm bill retains the parity principle. The bill provides that parity shall be applied, as heretofore, to Middling  $\frac{7}{8}$ -inch cotton through the 1960 crop, and thereafter parity shall be applied to the average of the crop. It is expected that the floor of 65 percent of parity effective in 1962 and thereafter would mean a minimum of at least 30 cents a pound for Middling 1-inch cotton.

Under the new bill, beginning with the 1959 crop, the Secretary is directed to establish separate price support rates for split grades of cotton and for full grades substantially reflecting relative values.

#### CORN

The bill provides for a referendum, by December 15, 1958, in which farmers of the commercial corn area would choose between:

(1) The present program of acreage allotments and price supports at between 75 and 90 percent of parity; and

(2) A new program which would abandon the commercial area designation, abolish all corn acreage allotments and set price supports at 90 percent of the average market price for the preceding 3 years, or at 65 percent of parity (around \$1.14 a bushel), whichever is higher. The support would apply to corn produced throughout the Nation, not to any designated commercial producing area.

#### RICE

The bill establishes a national minimum allotment of 1,652,000 acres, with price supports to be set by the Secretary in 1959 and 1960 at between 75 and 90 percent of parity, at not less than 70 percent of parity in 1961 and not less than 65 percent of parity in 1962 and subsequent years. The bill forestalls a cut in rice acreage from 1,652,000 in 1958 down to about 1 million in 1959.

#### WOOL

The National Wool Act is extended for 3 years, from March 31, 1957 to March 31, 1960.

#### MILK

The veterans and armed services milk program is extended for 3 years.

Mr. Speaker, for those wanting a more detailed discussion of the new farm bill I am inserting a summary of principal provisions prepared by the Office of the General Counsel, United States Department of Agriculture, as follows:

#### SUMMARY OF PRINCIPAL PROVISIONS OF AGRICULTURAL ACT OF 1958

(Prepared by the Office of the General Counsel, U. S. Department of Agriculture)

#### TITLE I—COTTON

The years 1959 and 1960: For 1959 and 1960, each individual farmer will have a choice between (a) his regular acreage allotment and price support as determined under section 101 of the Agricultural Act of 1949 (except that for the 1959 crop the level of support shall be not less than 80 percent of parity) or (b) an increase of not to exceed 40 percent (the precise percentage to be determined by the Secretary) in his regular farm allotment with price support at 15 percent of parity lower than the level determined for farmers who elect choice (a). Price support to farmers who elect choice (a) will be made available through a purchase program. CCC is directed to offer cotton for sale for unrestricted use at not less than 10 percent above the lower price support level made

available to farmers who elect choice (b) (sec. 101).

After 1960: After 1960, farmers will receive only their regular acreage allotment, and price support will be at such level as the Secretary determines within the following limits: For 1961, the level will be not less than 70 percent and not more than 90 percent of parity; after 1961, the level will be not less than 65 percent and not more than 90 percent of parity. The escalator clause under which the minimum support level is determined on the basis of the supply percentage is repealed effective with the 1961 crop. Price support for cotton will be based on the average quality of the crop, beginning in 1961 (sec. 102).

Minimum national marketing quota: The act provides a minimum national marketing quota for cotton, after 1960, equal to estimated domestic consumption and exports less imports subject to such adjustment as will assure the maintenance of adequate but not excessive stocks, but the Secretary in making such adjustments may not reduce the national marketing quota for any year below the larger of (1) estimated domestic consumption and exports less 1 million bales or (ii) 10 million bales (sec. 103 (1)).

Minimum national allotment: Beginning with the 1959 crop, the act provides for a minimum national acreage allotment for cotton of 16 million acres (sec. 103 (2)).

Converting national marketing quotas to acreage allotments: The act provides for the use of a 4-year yield instead of a 5-year yield in converting the national marketing quota to a national acreage allotment (sec. 103 (4)).

Extra long staple cotton: Beginning with the 1961 crop, the national marketing quota for extra long staple cotton will be an amount equal to the estimated domestic consumption plus exports, less imports, plus such additional number of bales as the Secretary determines is necessary to assure adequate working stocks until cotton from the next crop becomes readily available (sec. 103 (3)).

Minimum farm allotments: The act provides for permanent minimum farm cotton allotments of 10 acres or the 1958 acreage allotment established for the farm, whichever is smaller. 310,000 acres over and above the national acreage allotment are provided for apportionment to the States (1,000 acres to Nevada) on the basis of the States' needs for additional acreage for establishing such minimum allotments, and such further acreage as may be necessary is authorized to be apportioned to the farm to increase each farm acreage allotment to the prescribed minimum (sec. 104 (a) (b) (c), sec. 105).

Method of determining farm allotment: The act authorizes the Secretary to use the previous year's allotment (instead of tillable acreage or history) as a basis in making allotments if he determines that such action will facilitate effective administration (sec. 106).

Retention of surrendered acreage in county: The act provides that any cotton acreage which is surrendered shall be retained in the county and not surrendered to the State committee so long as any farmer in the county desires additional cotton acreage (sec. 107).

CCC sales restrictions: Effective August 1, 1961, minimum prices for sales of CCC cotton for unrestricted use are increased to 115 percent of support price plus reasonable carrying charges, except that CCC is authorized to sell at the market price a number of bales equal to that by which the national marketing quota is less than domestic consumption and exports (sec. 109).

Cotton export program: The act provides that nothing therein shall be construed to affect or modify the cotton export sales program provided for in section 203 of the Agricultural Act of 1956 (sec. 110).



Split grades: Beginning with the 1959 crop of cotton, the Secretary is required to establish separate price support rates for split grades (sec. 111).

#### TITLE II—CORN AND FEED GRAINS

**Corn:** The act provides for a referendum to be held among corn producers in the commercial corn-producing area to determine which of two programs shall be in effect. If a majority of the producers favor it, acreage allotments and the commercial corn area will be discontinued, and price support for corn will be 90 percent of the average price received by farmers for the 3 preceding years, but not less than 65 percent of parity. If the referendum fails to carry, acreage allotments will continue to be in effect, and the minimum level of price support will continue to be between 75 percent and 90 percent of parity on the basis of the supply percentage, as provided under section 101 of the Agricultural Act of 1949 (sec. 201).

**Other feed grains:** Beginning with the 1959 crop, price support for oats, rye, barley, and grain sorghums will be at a level determined by the Secretary to be fair and reasonable in relation to the price support for corn, taking into consideration the feed value of the commodity in relation to corn and the other factors specified in section 401 (b) of the Agricultural Act of 1949 (sec. 201).

#### TITLE III—RICE

**Acreage allotments:** The minimum national and State acreage allotments presently in effect for rice will be extended permanently (sec. 301).

**Price support:** The escalator clause under which the minimum support level is determined on the basis of the supply percentage is repealed effective with the 1959 crop. Beginning with the 1959 crop, price support will be at a level determined by the Secretary within the following limits: For 1959 and 1960, price support will be not less than 75 percent and not more than 90 percent of parity; for 1961, price support will be not less than 70 percent and not more than 90 percent of parity; after 1961, price support will be not less than 65 percent and not more than 90 percent of parity (sec. 302).

#### TITLE IV—WOOL

**Extension of Wool Act:** The Wool Act is extended for 3 years until March 31, 1962, and provides for the use of 70 percent of the ad valorem duties on wool and wool products (in addition to 70 percent of the specific duties) (sec. 401).

#### TITLE V—MISCELLANEOUS

**Transfer of acreage allotments:** A uniform procedure is provided for transferring the allotment on a farm from which an owner is displaced by eminent domain proceedings to other farms owned by the owner (sec. 501).

**Equity payments:** CCC is authorized to take over unredeemed collateral under non-recourse loans, without making equity payments (sec. 502).

**Tung nuts:** The act provides that tung nuts, for which the minimum price support level is now 60 percent of parity, shall be supported at not less than 65 percent of parity in any year in which domestic production of tung oil will be less than anticipated demand for such oil (sec. 503).

**Armed services milk program:** The special program for making dairy products available to the military agencies and veterans' hospitals is extended for 3 years until December 31, 1961 (sec. 504).

**Donation of cotton for training program:** CCC is authorized to donate cotton to educational institutions for use in training students in the processing and manufacture of cotton into textile (sec. 505).

**NOTE.**—The foregoing is a summary, and not a complete analysis, of the provisions of the act.

## Switch to Tight Money Confuses Everyone—Even Reserve

### EXTENSION OF REMARKS

OF

**HON. ABRAHAM J. MULTER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, August 19, 1958*

Mr. MULTER. Mr. Speaker, the Federal Reserve System seems to be following the policies of the administration with its on again, off again pronouncements.

The following article by Leslie Gould, financial writer, as it appeared in the New York Journal American of August 17, 1958, makes most interesting reading:

**SWITCH TO TIGHT MONEY CONFUSES EVERYONE—EVEN RESERVE**

(By Leslie Gould)

The Federal Reserve is again reversing its money policy. This time tightening money rates, starting with an increase in the San Francisco bank's rediscount rate. The other Reserve banks will undoubtedly follow.

The Federal Reserve has shifted its money policy so often in the last year, it is or seems to be running in a circle.

Just a year ago, the Federal Reserve in the face of a declining stock market and business jacked up the discount rate to 3½ percent—the highest since 1933. That was the seventh straight advance, starting in April of 1955 from 1½ percent.

#### RESERVE MAKES WRONG GUESS

That was a very wrong guess, so bad that the Federal Reserve had to reverse itself, starting in November. It made four downward changes until the 1¼ percent rate was established only last April. The San Francisco rate is now 2 percent.

The discount rate is the charge the Federal Reserve makes for rediscounting loan paper of commercial banks. It is the interest the Federal charges the banks borrowing from it. A commercial bank will make a top grade loan at say 4 percent and then go around to the Federal and rediscount it, paying the current discount rate—1¼ percent here. Then, the bank can take the money "borrowed" from the Federal and lend it again.

The reversal in money policy follows the increase 2 weeks ago in margins for buying and carrying stocks. Buyers now must put up 70 percent of the purchase price against 50 percent previously.

The Federal Reserve said this was necessary to prevent an excessive amount of credit flowing into the stock market. That doesn't happen to be so. Credit in the stock market is far from excessive, and in July borrowing by Stock Exchange member firms declined \$69 million on securities other than Government bonds.

Figures just out on debit balances—sums owed by customers of Stock Exchange firms—shows virtually no change from June to July, but there was an increase in debit balances as to securities other than Government bonds of \$91½ million.

The speculation that has been taking a relatively excessive amount of credit is that in Government bonds. There is a scandal in this, with a lot of little people badly hurt in the sharp decline in Government bond prices.

The Federal Reserve in its latest move, indicates it is no longer concerned about business and that its worry is inflation. Changing the discount rate upward at this stage in a period of business uncertainty is

unusual. There still are more than 5 million unemployed and while the business recession seems to have hit bottom, there still is doubt as to the vigor of the fall recovery.

The Federal Reserve has a knack—or is it genius—for doing the wrong thing at the right time?

Tinkering with the discount rate ignores the basic factor in the inflation—the wage-price spiral. Its only effect would be to slow down business, with this possibly curbing wage demands. A Federal Reserve spokesman admitted this last year. The one thing one does not want to do now is to slow down business.

#### MONEY INFLATION REAL PERIL

There is another kind of inflation—monetary inflation—and that is a real threat today, with the Treasury running in the "red" \$12 to \$15 billion a year and Government bonds going into banks instead of into investor hands.

The Federal can't do much about that either, although it has been helping the monetary inflation along with its buying of Government bonds. This is a form of printing press money.

The financial district is confused by the reversal in policy. So that makes it unanimous, for the Federal Reserve is.

## Mining Association of Montana Supports S. 4036

### EXTENSION OF REMARKS

OF

**HON. LEE METCALF**

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

*Monday, August 18, 1958*

Mr. METCALF. Mr. Speaker, I have the following telegram from W. G. Maloney, of Butte, Mont., secretary-manager of the Mining Association of Montana, which is composed only of small miners, on behalf of S. 4036, the minerals program bill we will be considering later this week:

From January 18 to date there has been a total of 1,315 workers in Silver Bow County who have exhausted their weekly unemployment benefits. During July of this year, there were 2,236 job applicants registered in the State employment office as in need of employment. Comparative figure for the same month in 1957 is 1,279, and for 1956, 435.

The Domestic Manganese & Development Co., Butte, Mont., had a monthly payroll of \$18,895 in July 1957. Their payroll in July of 1958 was \$4,693.96. The Trout Mining Division, American Machine & Metals, Inc., of Phillipsburg, Mont., on January 1, 1957, had 65 men employed in their lead-zinc operations. They have 44 men presently employed in these same operations which is a reduction of 31 percent in employment. Their production figures for January 1957 were 300 tons of zinc concentrates and 25 tons of lead concentrates. Their present production is 163 tons of zinc and 12 tons of lead concentrates per month.

Roy McLeod, manager, advised today that if the present stabilization program and S. 4036 now before the House fails to pass which would grant some assistance to the lead-zinc operators, that he will be forced to close down his lead-zinc operations in Phillipsburg. The Trout Mining Division in Phillipsburg is probably the only small lead-zinc producer now operating in Montana. There may be a few isolated cases through-











Public Law 85-835  
85th Congress, S. 4071  
August 28, 1958

AN ACT

72 Stat. 988.

To provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Agricultural Act of 1958." Agricultural Act of 1958.

TITLE I—COTTON

PROGRAM FOR 1959 AND 1960

SEC. 101. The Agricultural Act of 1949, as amended, is amended by adding the following new section:

63 Stat. 1051.  
7 USC 1421  
note.

"SEC. 102. Notwithstanding any other provisions of law—

"(a) for each of the 1959 and 1960 crops of upland cotton the Secretary of Agriculture is authorized and directed to offer the operator of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, a choice of (A) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, and price support determined pursuant to section 101 of this Act (the amount of cotton estimated to be produced on the additional acres allotted to producers selecting choice (B) for such year being taken into account in computing such support), except that for the 1959 crop the level of support shall be not less than 80 per centum of parity, or (B) the farm acreage allotment determined pursuant to section 344 of the Agricultural Adjustment Act of 1938, as amended, increased by not to exceed 40 per centum (such increased acreage allotment to be the acreage allotment for the farm for all purposes) and price support at a level which is 15 per centum of parity below the level of support established for producers who elect choice (A). Any person operating more than one farm, in order to be eligible for choice (B), must elect choice (B) for all farms for which he is operator. Not later than January 31 the Secretary shall determine and announce on the basis of his estimate of the supply percentage and the parity price as of the following August 1, the price support level for producers who elect choice (A) and choice (B) respectively, and such price support levels shall be final. As soon as practicable after such announcement, the Secretary shall cause the operator (as shown on the records of the county committee) of each farm for which an allotment is established under section 344 of the Agricultural Adjustment Act of 1938, as amended, to be notified of the alternative levels of price support and the alternative acreage allotments available for his farm. The operator of each farm shall, within the time prescribed by the Secretary, notify the county committee in writing whether he desires the increased acreage allotment and the level of price support prescribed in choice (B) to be effective for the farm. If the operator fails to so notify the county committee within the time prescribed, he shall be deemed to have chosen the acreage allotment and the price support level prescribed in choice (A). The choice elected by the operator shall apply to all the producers on the farm. Notwithstanding the foregoing provisions of this subsection, the Secretary may permit the operator of a farm for which choice (B) is in effect to change to choice (A) where conditions beyond the control of

52 Stat. 57.  
7 USC 1344.



the farm operator, such as excessive rain, flood, or drought, prevented the planting of acreage to cotton or having cotton acreage available for harvest on the farm in accordance with the plans of such operator in selecting choice (B). The additional acreage required to be allotted to farms under this section shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota. The additional acreage authorized by this section shall not be taken into account in establishing future State, county, and farm acreage allotments. Notwithstanding any other provision of law, no farm participating in any cotton acreage reserve program established for 1959 under the Soil Bank Act shall receive an increased acreage allotment under the provisions of this section for 1959. Notwithstanding the provisions of section 344 (m) (2) any farm cotton acreage allotment increased as the result of the selection of choice (B) may not be released and reapportioned to any other farm. Price support shall be made available under this paragraph only to cooperators and only if producers have not disapproved marketing quotas for the crop.

70 Stat. 188.

7 USC 1801 note.

68 Stat. 4,904.

7 USC 1344.

“(b) for each of the 1959 and 1960 crops of upland cotton, price support shall be made available to producers who elect choice (A) through a purchase program. Price support shall be made available to producers who elect choice (B) through loans, purchases, or other operations.

“(c) the Commodity Credit Corporation is directed, during the period beginning August 1, 1959, and ending July 31, 1961, to offer any upland cotton owned by it for sale for unrestricted use at not less than 10 per centum above the current level of price support prescribed in choice (B).”

#### PRICE SUPPORT FOR 1961 AND SUBSEQUENT YEARS

7 USC 1421  
note.

SEC. 102. (a) The Agricultural Act of 1949, as amended, is amended by adding a new section 103 as follows:

“SEC. 103. Notwithstanding the provisions of section 101 of this Act, price support to cooperators for each crop of upland cotton, beginning with the 1961 crop, for which producers have not disapproved marketing quotas shall be at such level not more than 90 per centum of the parity price therefor nor less than the minimum level prescribed below as the Secretary determines appropriate after consideration of factors specified in section 401 (b) of this Act. For the 1961 crop the minimum level shall be 70 per centum of the parity price therefor, and for each subsequent crop the minimum level shall be 65 per centum of the parity price therefor. Price support in the case of noncooperators and in case marketing quotas are disapproved shall be as provided in section 101 (d) (3) and (5).”

#### ACREAGE ALLOTMENTS AND MARKETING QUOTAS

SEC. 103. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

7 USC 1342.

(1) Section 342 is amended by striking out the third sentence and by changing the period at the end of the second sentence to a colon and adding the following: “*Provided*, That beginning with the 1961 crop, the national marketing quota shall be not less than a number of bales equal to the estimated domestic consumption and estimated exports (less estimated imports) for the marketing year for which the quota is proclaimed, except that the Secretary shall make such adjustment in the amount of such quota as he determines necessary



after taking into consideration the estimated stocks of cotton in the United States (including the qualities of such stocks) and stocks in foreign countries which would be available for the marketing year for which the quota is being proclaimed if no adjustment of such quota is made hereunder, to assure the maintenance of adequate but not excessive stocks in the United States to provide a continuous and stable supply of the different qualities of cotton needed in the United States and in foreign cotton consuming countries, and for purposes of national security; but the Secretary, in making such adjustments, may not reduce the national marketing quota for any year below (i) one million bales less than the estimated domestic consumption and estimated exports for the marketing year for which such quota is being proclaimed, or (ii) ten million bales, whichever is larger."

(2) Section 342 is further amended by adding at the end thereof the following: "Notwithstanding any other provision of this Act, the national marketing quota for upland cotton for 1959 and subsequent years shall be not less than the number of bales required to provide a national acreage allotment for each such year of sixteen million acres." 7 USC 1342.

(3) Section 347 (b) is amended by changing the period at the end of the second sentence to a colon and adding the following: "Provided, That beginning with the 1961 crop of extra long staple cotton, such national marketing quota shall be an amount equal to (1) the estimated domestic consumption plus exports for the marketing year which begins in the next calendar year, less (2) the estimated imports, plus (3) such additional number of bales, if any, as the Secretary determines is necessary to assure adequate working stocks in trade channels until cotton from the next crop becomes readily available without resort to Commodity Credit Corporation stocks." 7 USC 1347.

(4) The second sentence of section 344 (a) is amended by striking the word "five" and substituting the word "four". 7 USC 1344.

#### MINIMUM FARM ALLOTMENTS

SEC. 104. (a) Section 344 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "Provided, That there is hereby established a national acreage reserve consisting of three hundred and ten thousand acres which shall be in addition to the national acreage allotment; and such reserve shall be apportioned to the States on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), as determined by the Secretary without regard to State and county acreage reserves (except that the amount apportioned to Nevada shall be one thousand acres). For the 1960 and succeeding crops of cotton, the needs of States (other than Nevada) for such additional acreage for such purpose may be estimated by the Secretary, after taking into consideration such needs as determined or estimated for the preceding crop of cotton and the size of the national acreage allotment for such crop. The additional acreage so apportioned to the State shall be apportioned to the counties on the basis of the needs of the counties for such additional acreage for such purpose, and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreage). Additional acreage apportioned to a State for any year under the foregoing proviso shall not be taken into account in establishing future State acreage allotments. Needs for additional acreage under the foregoing provisions and under the last proviso in subsection (e) 7 USC 1344.



shall be determined or estimated as though allotments were first computed without regard to subsection (f) (1)."

7 USC 1344.

(b) Section 344 (e) of the Agricultural Adjustment Act of 1938, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided further*, That if the additional acreage allocated to a State under the proviso in subsection (b) is less than the requirements as determined or estimated by the Secretary for establishing minimum farm allotments for the State under subsection (f) (1), the acreage reserved under this subsection shall not be less than the smaller of (1) the remaining acreage so determined or estimated to be required for establishing minimum farm allotments or (2) 3 per centum of the State acreage allotment; and the acreage which is required to be reserved under this proviso shall be allocated to counties on the basis of their needs for additional acreage for establishing minimum farm allotments under subsection (f) (1), and added to the county acreage allotment for apportionment to farms pursuant to subsection (f) of this section (except that no part of such additional acreage shall be used to increase the county reserve above 15 per centum of the county allotment determined without regard to such additional acreages)."

7 USC 1344.

(c) Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing paragraph (1) to read as follows: "(1) Insofar as such acreage is available, there shall be allotted the smaller of the following: (A) ten acres; or (B) the acreage allotment established for the farm for the 1958 crop."

68 Stat. 6,  
904.

7 USC 1344.

(d) The first sentence of section 344 (f) (6) of such Act is amended to read as follows: "Notwithstanding the provisions of paragraph (2) of the subsection, if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the remainder of the county acreage allotment (after making allotments as provided in paragraph (1) of this subsection) shall be allotted to farms other than farms to which an allotment has been made under paragraph (1) (B) of this subsection so that the allotment to each farm under this paragraph together with the amount of the allotment of such farm under paragraph (1) (A) of this subsection shall be a prescribed percentage (which percentage shall be the same for all such farms in the county) of the average acreage planted to cotton on the farm during the three years immediately preceding the year for which such allotment is determined, adjusted as may be necessary for abnormal conditions affecting plantings during such three-year period: *Provided*, That the county committee may in its discretion limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 per centum of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 per centum limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein."

(e) The amendments made by this section shall be effective beginning with the 1959 crop.

7 USC 1344.

SEC. 105. Effective beginning with the 1959 crop, section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph:

"(7) (A) In the event that any farm acreage allotment is less than that prescribed by paragraph (1), such acreage allotment shall be increased to the acreage prescribed by paragraph (1). The additional



acreage required to be allotted to farms under this paragraph shall be in addition to the county, State, and national acreage allotments and the production from such acreage shall be in addition to the national marketing quota.

“(B) Notwithstanding any other provision of law—

“(i) the acreage by which any farm acreage allotment for 1959 or any subsequent crop established under paragraph (1) exceeds the acreage which would have been allotted to such farm if its allotment had been computed on the basis of the same percentage factor applied to other farms in the county under paragraph (2), (6), or (8) shall not be taken into account in establishing the acreage allotment for such farm for any crop for which acreage is allotted to such farm under paragraph (2), (6), or (8); and acreage shall be allotted under paragraph (2), (6), or (8) to farms which did not receive 1958 crop allotments in excess of ten acres if and only if the Secretary determines (after considering the allotments to other farms in the county for such crop compared with their 1958 allotments and other relevant factors) that equity and justice require the allotment of additional acreage to such farm under paragraph (2), (6), or (8),

“(ii) the acreage by which any county acreage allotment for 1959 or any subsequent crop is increased from the national or State reserve on the basis of its needs for additional acreage for establishing minimum farm allotments shall not be taken into account in establishing future county acreage allotments, and

“(iii) the additional acreage allotted pursuant to subparagraph (A) of this paragraph (7) shall not be taken into account in establishing future State, county, or farm acreage allotments.”

#### METHOD OF DETERMINING FARM ALLOTMENTS

SEC. 106. Section 344 (f) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following new paragraph: 7 USC 1344.

“(8) Notwithstanding the foregoing provisions of paragraphs (2) and (6) of this subsection, the Secretary may, if he determines that such action will facilitate the effective administration of the provisions of the Act, provide for the county acreage allotment for the 1959 and succeeding crops of cotton, less the acreage reserved under paragraph (3) of this subsection, to be apportioned to farms on which cotton has been planted in any one of the three years immediately preceding the year for which such allotment is determined, on the basis of the farm acreage allotment for the year immediately preceding the year for which such apportionment is made, adjusted as may be necessary (i) for any change in the acreage of cropland available for the production of cotton, or (ii) to meet the requirements of any provision (other than those contained in paragraphs (2) and (6)) with respect to the counting of acreage for history purposes.”

#### RETENTION OF SURRENDERED ACREAGE IN COUNTY

SEC. 107 Paragraph (2) of section 344 (m) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the period at the end of the second sentence of such paragraph and inserting in lieu thereof the following: “; but no such acreage shall be surrendered to the State committee so long as any farmer receiving a cotton acreage allotment in such county desires additional cotton acreage.” 7 USC 1344.



## STANDARD GRADE

63 Stat. 676. SEC. 108. Section 3 (a) of the Act of August 29, 1949, Public Law  
7 USC 1301b. 272, 81st Congress, and the last sentence of section 403 of the Agricultural  
7 USC 1423. Act of 1949, as amended, are hereby repealed. This section shall  
become effective with the 1961 crop.

## CCC SALES RESTRICTIONS

7 USC 1427. SEC. 109. Section 407 of the Agricultural Act of 1949, as amended,  
is amended by substituting a colon for the period at the end of the  
third sentence and adding at the end thereof the following: "*Pro-*  
*vided*, That effective with the beginning of the marketing year for  
the 1961 crop, the Corporation shall not sell any upland or extra long  
staple cotton for unrestricted use at less than 15 per centum above the  
current support price for cotton plus reasonable carrying charges,  
except that the Corporation may, in an orderly manner and so as not  
to affect market prices unduly, sell for unrestricted use at the market  
price at the time of sale a number of bales of cotton equal to the num-  
ber of bales by which the national marketing quota for such marketing  
year is reduced below the estimated domestic consumption and exports  
for such marketing year pursuant to the provisions of section 342 of  
the Agricultural Adjustment Act of 1938, as amended."

7 USC 1342.

## COTTON EXPORT PROGRAM

70 Stat. 199. SEC. 110. Nothing in this Act shall be construed to affect or modify  
7 USC 1853. the provisions of section 203 of the Agricultural Act of 1956, and any  
cotton owned or acquired by the Commodity Credit Corporation under  
any price support program may be used for the purpose of carrying  
out the cotton export program provided for in section 203 of the  
Agricultural Act of 1956.

## SPLIT GRADES

7 USC 1423. SEC. 111. Section 403 of the Agricultural Act of 1949, as amended, is  
amended by adding at the end thereof the following sentence: "Begin-  
ning with the 1959 crop, in adjusting the support price for cotton  
on the basis of grade, the Secretary shall establish separate price  
support rates for split grades and for full grades substantially reflect-  
ing relative values."

## TITLE II—CORN AND FEED GRAINS

## REFERENDUM

7 USC 1441. SEC. 201. Title I of the Agricultural Act of 1949, as amended, is  
further amended by adding at the end of such title the following:

"SEC. 104. (a) Not later than December 15, 1958, the Secretary shall  
conduct a referendum of producers of corn in 1958 in the commercial  
corn-producing area for 1958 to determine whether such producers  
favor a price support program as provided in subsection (b) of this  
section for the 1959 and subsequent crops in lieu of acreage allotments  
as provided in the Agricultural Adjustment Act of 1938, as amended,  
and price support as provided in section 101 of the Agricultural Act  
of 1949, as amended.

7 USC 1281.  
7 USC 1441.

"(b) Notwithstanding any other provision of law, if less than a  
majority of the producers voting in the referendum conducted pur-  
suant to subsection (a) hereof favor a price support program as  
provided in this subsection (b), the following provisions of law shall  
become inoperative:

"DISCONTINUANCE OF ACREAGE ALLOTMENTS ON CORN

"(1) The Agricultural Adjustment Act of 1938, as amended, is <sup>7 USC 1281.</sup> amended by adding the following new section:

"SEC. 330. Notwithstanding any other provision of law, acreage allotments and a commercial corn-producing area shall not be established for the 1959 and subsequent crops of corn."

"PRICE SUPPORT

"(2) The Agricultural Act of 1949, as amended, is amended by <sup>7 USC 1421</sup> adding the following new section: <sup>note.</sup>

"SEC. 105. (a) Notwithstanding the provisions of section 101 of this Act, beginning with the 1959 crop, price support shall be made available to producers for each crop of corn at 90 per centum of the average price received by farmers during the three calendar years immediately preceding the calendar year in which the marketing year for such crop begins, adjusted to offset the effect on such price of any abnormal quantities of low-grade corn marketed during any of such year: *Provided*, That the level of price support for any crop of corn shall not be less than 65 per centum of the parity price therefor.

"(b) Beginning with the 1959 crop, price support shall be made available to producers for each crop of oats, rye, barley, and grain sorghums at such level of the parity price therefor as the Secretary of Agriculture determines is fair and reasonable in relation to the level at which price support is made available for corn, taking into consideration the feeding value of such commodity in relation to corn, and the other factors set forth in section 401 (b) hereof."

"(3) Section 101 (d) (4) of the Agricultural Act of 1949, as <sup>7 USC 1441.</sup> amended, is repealed effective with the 1959 crop."

TITLE III—RICE

MINIMUM NATIONAL AND STATE ACREAGE ALLOTMENTS

SEC. 301. Section 353 (c) (6) of the Agricultural Adjustment Act <sup>7 USC 1353.</sup> of 1938, as amended, is amended by striking out "1957 and 1958" in each place it occurs therein, and inserting "1957 and subsequent years".

PRICE SUPPORT

SEC. 302. (a) Section 101 (a) of the Agricultural Act of 1949, <sup>7 USC 1441.</sup> as amended, is amended, effective beginning with the 1959 crop—

(1) by striking out "wheat, and rice" and inserting "and wheat"; and

(2) by adding at the end thereof the following new paragraph: "For rice of the 1959 and 1960 crops, the level of support shall be not less than 75 per centum of the parity price. For rice of the 1961 crop the level of support shall be not less than 70 per centum of the parity price. For the 1962 and subsequent crops of rice the level of support shall be not less than 65 per centum of the parity price."

TITLE IV—WOOL

SEC. 401. Section 703 of the National Wool Act of 1954 (68 Stat. <sup>7 USC 1782.</sup> 910) is amended by striking out "March 31, 1959" and inserting in lieu thereof "March 31, 1962".



72 Stat. 995.

7 USC 1783.

SEC. 402. The first proviso in section 704 of such Act (68 Stat. 911) is amended by striking out "specific" the first time it appears therein, and by striking out "(whether or not such specific duties are parts of compound rates)".

7 USC 1784.

SEC. 403. The proviso in section 705 of such Act (68 Stat. 911) is amended by striking out "specific" the first time it appears therein, and by striking out "(whether or not such specific duties are parts of compound rates)".

## TITLE V—MISCELLANEOUS

70 Stat. 206.

7 USC 1377.

SEC. 501. The Agricultural Adjustment Act of 1938, as amended, is amended by adding after section 377 the following new section:

"SEC. 378. (a) Notwithstanding any other provision of this Act, the allotment determined for any commodity for any land from which the owner is displaced because of acquisition of the land for any purpose, other than for the continued production of allotted crops, by any Federal, State, or other agency having the right of eminent domain shall be placed in an allotment pool and shall be available only for use in providing allotments for other farms owned by the owner so displaced. Upon application to the county committee, within three years after the date of such displacement, or three years after the enactment of this section, whichever period is longer, any owner so displaced shall be entitled to have established for other farms owned by him allotments which are comparable with allotments determined for other farms in the same area which are similar except for the past acreage of the commodity, taking into consideration the land, labor, and equipment available for the production of the commodity, crop-rotation practices, and the soil and other physical factors affecting the production of the commodity: *Provided*, That the acreage used to establish or increase the allotments for such farms shall be transferred from the pool and shall not exceed the allotment most recently established for the farm acquired from the applicant and placed in the pool. During the period of eligibility for the making of allotments under this section for a displaced owner, acreage allotments for the farm from which the owner was so displaced shall be established in accordance with the procedure applicable to other farms, and such allotments shall be considered to have been fully planted. After such allotment is made under this section, the proportionate part, or all, as the case may be, of the past acreage used in establishing the allotment most recently placed in the pool for the farm from which the owner was so displaced shall be transferred to and considered for the purposes of future State, county, and farm acreage allotments to have been planted on the farm to which allotment is made under this section. Except where paragraph (c) requires the transfer of allotment to another portion of the same farm, for the purpose of this section (1) that part of any farm from which the owner is so displaced and that part from which he is not so displaced shall be considered as separate farms; and (2) an owner who voluntarily relinquishes possession of the land subsequent to its acquisition by an agency having the right of eminent domain shall be considered as having been displaced because of such acquisition.

"(b) The provisions of this section shall not be applicable if (1) there is any marketing quota penalty due with respect to the marketing of the commodity from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (2) any of the commodity 72 Stat. 995. produced on such farm has not been accounted for as required by the 72 Stat. 996. Secretary; or (3) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of the commodity produced on or marketed from such farm or due to a false acreage report.

"(c) This section shall not be applicable, in the case of cotton, tobacco, and peanuts, to any farm from which the owner was displaced prior to 1950, in the case of wheat and corn, to any farm from which the owner was displaced prior to 1954, and in the case of rice, to any farm from which the owner was displaced prior to 1955. In any case where the cropland acquired for nonfarming purposes from an owner by an agency having the right of eminent domain represents less than 15 per centum of the total cropland on the farm, the allotment attributable to that portion of the farm so acquired shall be transferred to that portion of the farm not so acquired.

"(d) Sections 313 (h), 334 (d), 344 (h), 353 (f), and 358 (h) of the Agricultural Adjustment Act of 1938, as amended, are repealed, but any transfer or reassignment of allotment heretofore made under the provisions of these sections shall remain in effect, and any displaced farm owner for whom an allotment has been established under such repealed sections shall not be eligible for additional allotment under subsection (a) of this section because of such displacement." Repeals. 7 USC 1313, 1334, 1344, 1353, 1358.

SEC. 502. Section 405 of the Agricultural Act of 1949 is amended 7 USC 1425. by adding at the end thereof the following: "There is authorized to be included in the terms and conditions of any such nonrecourse loan a provision whereby on and after the maturity of the loan or any extension thereof Commodity Credit Corporation shall have the right to acquire title to the unredeemed collateral without obligation to pay for any market value which such collateral may have in excess of the loan indebtedness."

SEC. 503. Section 201 (b) of the Agricultural Act of 1949, as amended, is amended by changing the semicolon at the end thereof to a colon and adding the following: "Provided, That in any crop year in which the Secretary determines that the domestic production of tung oil will be less than the anticipated domestic demand for such oil, the price of tung nuts shall be supported at not less than 65 per centum of the parity price therefor;" 7 USC 1446.

#### EXTEND VETERANS AND ARMED SERVICES MILK PROGRAM

SEC. 504. (a) The first sentence of section 202 (a) of the Agricultural Act of 1949, as amended (7 U. S. C. 1446a), is amended by striking out "1958" and inserting in lieu thereof "1961". 68 Stat. 900.

(b) Subsection (b) of section 202 of the Agricultural Act of 1949 68 Stat. 900. (7 U. S. C. 1446a) is amended by striking out "1958" and inserting in lieu thereof "1961", by striking out "of the Army, Navy, or Air Force, and as a part of the ration" and inserting in lieu thereof "(1) of the Army, Navy, Air Force, or Coast Guard, (2)", and by inserting before the period at the end of the first sentence of such subsection the following: ", and (3) of cadets and midshipmen at, and other personnel assigned to, the United States Merchant Marine Academy".



Cotton  
donation.

SEC. 505. Commodity Credit Corporation is authorized, on such terms as the Secretary of Agriculture may approve, to donate cotton acquired through its price support operations to educational institutions for use in the training of students in the processing and manufacture of cotton into textiles.

Approved August 28, 1958.













9/4/58

SUMMARY OF PRINCIPAL PROVISIONS OF AGRICULTURAL ACT OF 1958

Title I - COTTON

A. Acreage allotment - Choice plan for 1959 and 1960.

1. Each cotton farmer will get his share of 16 million acre allotment. In addition, 310,000 acres provided to see that no farmer having 1958 allotment of 10 acres or less takes a reduction.
2. Farmer will have choice of Group A - Staying within his allotment and receiving full price support through purchase, or Group B - Overplanting his allotment by up to 40 percent and receiving price support 15 percentage points of parity below the A Group. Price support for Group A set at not less than 80 percent of parity for 1959.
3. Purchase made by CCC from Group A cotton farmers will be resold into the market at 110 percent of the Group B price support.

Example - Price support Group A - 80 percent of parity -  
Group B - 65 percent of parity - CCC resale price  
71.5 percent of parity.

4. Separate price supports for split grades required.

B. 1961 and subsequent years - Upland Cotton

1. Allotment not less than 16 million acres. Allotment will be based on estimated domestic consumption and exports, with certain specified adjustments authorized.
2. Price support to be set by the Secretary between 90 percent of parity and 70 percent of parity in 1961 (65 percent of parity thereafter). Parity will be based on average grade and staple rather than on 7/8-inch middling.
3. CCC resales for unrestricted use not less than 115 percent of support (except that CCC is authorized to sell at the market price a number of bales equal to that by which the national marketing quota is less than domestic consumption and exports).

C. 1961 and subsequent years - Extra Long Staple Cotton

1. The national marketing quota for extra long staple cotton will be an amount equal to the estimated domestic consumption plus exports, less imports, plus such additional number of bales as the Secretary determines is necessary to assure adequate working stocks until cotton from the next crop becomes readily available.



## Title II - CORN AND OTHER FEED GRAINS

It provides for a referendum between -

1. a continuation of the present allotment program with price supports at 75 percent to 90 percent of parity and
2. the following:
  - (1) No acreage allotments beginning in 1959
  - (2) Price supports based on the highest of the following:
    - (a) 90 percent of preceding three year average price
    - (b) 65 percent of parity

Price support for the other feed grains is made mandatory at a level fair and reasonable in relation to the price support for corn.

## Title III - RICE

1. Minimum acreage allotment of 1.6 million acres.
2. For 1959 and 1960 crop price support is determined by the Secretary between 75 and 90 percent of parity.
3. For 1961 between 70 and 90 percent of parity.
4. For 1962 and thereafter between 65 percent and 90 percent of parity.

## Title IV - WOOL

1. Extends present National Wool Act to March 31, 1962.
2. Provides that 70 percent of all tariff duties collected from wool (ad valorem as well as specific duties) may be used in making payments.

## Title V - MISCELLANEOUS

1. Uniform acreage transfer (eminent domain).
2. Eliminates need for making equity payments.
3. Minimum price support for tung nuts raised from 60 percent to 65 percent of parity.
4. Extends Veterans and Armed Services Milk Program to December 31, 1961.
5. Permits cotton donation to schools for educational purposes.

SUMMARY OF PRINCIPAL PROVISIONS OF AGRICULTURAL ACT OF 1958  
(Prepared by the Office of the General Counsel,  
U. S. Department of Agriculture)

TITLE I - COTTON

1959 and 1960: For 1959 and 1960, each individual farmer will have a choice between (A) his regular acreage allotment and price support as determined under section 101 of the Agricultural Act of 1949 (except that for the 1959 crop the level of support shall be not less than 80% of parity) or (B) an increase of not to exceed 40% (the precise percentage to be determined by the Secretary) in his regular farm allotment with price support at 15% of parity lower than the level determined for farmers who elect choice (A). Price support to farmers who elect choice (A) will be made available through a purchase program. CCC is directed to offer cotton for sale for unrestricted use at not less than 10% above the lower price support level made available to farmers who elect choice (B). (Sec. 101)

After 1960: After 1960, farmers will receive only their regular acreage allotment, and price support will be at such level as the Secretary determines within the following limits: For 1961, the level will be not less than 70% and not more than 90% of parity; after 1961, the level will be not less than 65% and not more than 90% of parity. The escalator clause under which the minimum support level is determined on the basis of the supply percentage is repealed effective with the 1961 crop. Price support for cotton will be based on the average quality of the crop, beginning in 1961. (Sec. 102)

Minimum National Marketing Quota: The Act provides a minimum national marketing quota for cotton, after 1960, equal to estimated domestic consumption and exports less imports subject to such adjustment as will assure the maintenance of adequate but not excessive stocks, but the Secretary in making such adjustments may not reduce the national marketing quota for any year below the larger of (i) estimated domestic consumption and exports less one million bales or (ii) 10 million bales (Sec. 103(1))

Minimum National Allotment: Beginning with the 1959 crop, the Act provides for a minimum national acreage allotment for cotton of 16 million acres. (Sec. 103(2))

Converting National Marketing Quotas to Acreage Allotments: The Act provides for the use of a 4-year yield instead of a 5-year yield in converting the national marketing quota to a national acreage allotment. (Sec. 103(4))

Extra Long Staple Cotton: Beginning with the 1961 crop, the national marketing quota for extra long staple cotton will be an amount equal to the estimated domestic consumption plus exports, less imports, plus such additional number of bales as the Secretary determines is necessary to assure adequate working stocks until cotton from the next crop becomes readily available. (Sec. 103(3))



Minimum Farm Allotments: The Act provides for permanent minimum farm cotton allotments of 10 acres or the 1958 acreage allotment established for the farm, whichever is smaller. 310,000 acres over and above the national acreage allotment are provided for apportionment to the States (1,000 acres to Nevada) on the basis of the States' needs for additional acreage for establishing such minimum allotments, and such further acreage as may be necessary is authorized to be apportioned to the farm to increase each farm acreage allotment to the prescribed minimum. (Sec. 104 (a) (b) (c), Sec. 105)

Method of Determining Farm Allotment: The Act authorizes the Secretary to use the previous year's allotment (instead of tillable acreage or history) as a basis in making allotments if he determines that such action will facilitate effective administration. (Sec. 106)

Retention of Surrendered Acreage in County: The Act provides that any cotton acreage which is surrendered shall be retained in the county and not surrendered to the State committee so long as any farmer in the county desires additional cotton acreage. (Sec. 107)

CCC Sales Restrictions: Effective August 1, 1961, minimum prices for sales of CCC cotton for unrestricted use are increased to 115% of support price plus reasonable carrying charges, except that CCC is authorized to sell at the market price a number of bales equal to that by which the national marketing quota is less than domestic consumption and exports. (Sec. 109)

Cotton Export Program: The Act provides that nothing therein shall be construed to affect or modify the cotton export sales program provided for in section 203 of the Agricultural Act of 1956. (Sec. 110)

Split Grades: Beginning with the 1959 crop of cotton, the Secretary is required to establish separate price support rates for split grades. (Sec. 111)

## TITLE II - CORN AND FEED GRAINS

Corn: The Act provides for a referendum to be held among corn producers in the commercial corn-producing area to determine which of two programs shall be in effect. If a majority of the producers favor it, acreage allotments and the commercial corn area will be discontinued, and price support for corn will be 90% of the average price received by farmers for the three preceding years, but not less than 65% of parity. If the referendum fails to carry, acreage allotments will continue to be in effect, and the minimum level of price support will continue to be between 75% and 90% of parity on the basis of the supply percentage, as provided under section 101 of the Agricultural Act of 1949. (Sec. 201)

Other Feed Grains: Beginning with the 1959 crop, price support for oats, rye, barley and grain sorghums will be at a level determined by the Secretary to be fair and reasonable in relation to the price support for corn, taking into consideration the feed value of the commodity in

relation to corn and the other factors specified in section 401 (b) of the Agricultural Act of 1949. (Sec. 201)

### TITLE III - RICE

Acreage Allotments: The minimum national and State acreage allotments presently in effect for rice will be extended permanently. (Sec. 301)

Price Support: The escalator clause under which the minimum support level is determined on the basis of the supply percentage is repealed effective with the 1959 crop. Beginning with the 1959 crop, price support will be at a level determined by the Secretary within the following limits: For 1959 and 1960, price support will be not less than 75% and not more than 90% of parity; for 1961, price support will be not less than 70% and not more than 90% of parity; after 1961, price support will be not less than 65% and not more than 90% of parity. (Sec. 302)

### TITLE IV - WOOL

Extension of Wool Act: The Wool Act is extended for three years until March 31, 1962, and provides for the use of 70% of the ad valorem duties on wool and wool products (in addition to 70% of the specific duties). (Sec. 401)

### TITLE V - MISCELLANEOUS

Transfer of Acreage Allotments: A uniform procedure is provided for transferring the allotment on a farm from which an owner is displaced by eminent domain proceedings to other farms owned by the owner. (Sec. 501)

Equity Payments: CCC is authorized to take over unredeemed collateral under non-recourse loans, without making equity payments. (Sec. 502)

Tung Nuts: The Act provides that tung nuts, for which the minimum price support level is now 60% of parity, shall be supported at not less than 65% of parity in any year in which domestic production of tung oil will be less than anticipated demand for such oil. (Sec. 503)

Armed Services Milk Program: The special program for making dairy products available to the military agencies and veterans' hospitals is extended for three years until December 31, 1961. (Sec. 504)

Donation of Cotton for Training Program: CCC is authorized to donate cotton to educational institutions for use in training students in the processing and manufacture of cotton into textiles. (Sec. 505)

NOTE: The foregoing is a summary, and not a complete analysis, of the provisions of the Act.





SUMMARY OF S. 4071 AS PASSED BY THE SENATE  
(Prepared by the Office of the General  
Counsel, U. S. Department of Agriculture)

TITLE I -- COTTON

1959 and 1960: For 1959 and 1960, each individual farmer would have a choice between (A) his regular acreage allotment and price support as determined under present law, or (B) a 40% increase in his regular farm allotment with price support at 15% of parity lower than the level determined under present law. Price support to farmers who elect choice (A) would be made available through a purchase program. CCC would be directed to offer cotton for sale for unrestricted use at not less than 10% above the lower price support level made available to farmers who elect choice (B). (Sec. 101)

After 1960: After 1960, farmers will receive only their regular acreage allotment, and price support would be the highest of the following: (a) 90% of the average market price for the preceding three years, (b) 60% of parity, or (c) 30 cents per pound. Middling one inch cotton would be the standard quality of cotton for purposes of price support after 1960. (Sec. 102)

Minimum National Marketing Quota: The bill provides for a minimum national marketing quota for cotton, after 1960, equal to estimated domestic consumption and exports less imports subject to such adjustment as will assure the maintenance of adequate but not excessive stocks, but the Secretary in making such adjustments may not reduce the national marketing quota for any year below the larger of (i) estimated domestic consumption and exports less one million bales or (ii) 10 million bales. (Sec. 103(1))

Minimum National Allotment: Beginning with the 1959 crop, the bill provides for a minimum national acreage allotment for cotton of 16 million acres. (Sec. 103(2))

Converting National Marketing Quotas to Acreage Allotments: The bill provides for the use of a 3-year adjusted yield instead of a 5-year unadjusted yield in converting the national marketing quota to a national acreage allotment. (Sec. 103(4))

Extra Long Staple Cotton: Beginning with the 1961 crop, the national marketing quota for extra long staple cotton would be an amount equal to the estimated domestic consumption plus exports less imports, plus such additional number of bales as the Secretary determines is necessary to assure adequate working stocks until cotton from the next crop becomes readily available. (Sec. 103(3))

Minimum Farm Allotments: The bill provides for permanent minimum farm cotton allotments of 10 acres or the 1958 acreage allotment established



for the farm, whichever is smaller. 310,000 acres over and above the national acreage allotment are provided for apportionment to the States (1,000 acres to Nevada) to meet the States' needs for such minimum allotments, and such further acreage as may be necessary is authorized to be apportioned to the farm to increase each farm acreage allotment to the prescribed minimum. (Sec. 104 (a) (b) (c), Sec. 105)

Method of Determining Farm Allotment: The bill authorizes the Secretary to use the previous year's allotment (instead of tillable acreage or history) as a basis in making allotments if he determines that such action will facilitate effective administration. (Sec. 106)

Retention of Surrendered Acreage in County: The bill provides that any cotton acreage which is surrendered shall be retained in the county and not surrendered to the State committee so long as any farmer in the county desires additional cotton acreage. (Sec. 107)

CCC Sales Restrictions: Effective August 1, 1961, minimum prices for sales of CCC cotton for unrestricted use would be increased to 115% of support price plus reasonable carrying charges, except that CCC would be authorized to sell at the market price a number of bales equal to that by which the national marketing quota is less than domestic consumption and exports. (Sec. 109)

Cotton Export Program: The bill provides that nothing in the Act shall be construed to affect or modify the cotton export sales program provided for in Section 203 of the Agricultural Act of 1956. (Sec. 110)

Purchase of Cottonseed and Soybean Oil: The Secretary is given discretionary authority to purchase and donate for use in the assistance of needy persons outside the United States a quantity of cottonseed and soybean oil equal to the increase in the total production of oil as a result of the cotton produced on the increased cotton acreage allotted to farmers who elect choice (B). (Sec. 111)

## TITLE II - CORN AND FEED GRAINS

Corn: Beginning with 1959, acreage allotments would be discontinued for corn and price support would be the highest of the following: (a) 90% of the average price received by farmers for the three preceding years, (b) 60% of parity, or (c) \$1.10 per bushel. (Secs. 201, 202)

Other Feed Grains: Beginning with the 1959 crop, price support for oats, rye, barley and grain sorghums would be at a level which is fair and reasonable in relation to the price support for corn but not less than 60% of parity. (Sec. 202)

### TITLE III - RICE

Acreage Allotments: The minimum national and State acreage allotments presently in effect for rice would be extended permanently. (Sec. 301)

Price Support for 1959 and 1960: Price support for 1959 and 1960 crops of rice would be between 75% and 90% of parity without regard to the supply percentage. (Sec. 302(a))

Price Support After 1960: Price support after 1960 would be the highest of the following: (a) 90% of the average price received by farmers during the three preceding years, (b) 60% of parity, or (c) \$4.00 per hundredweight. (Sec. 302(b))

Wheat: Review of 1959 Farm Allotments: Any farmer who is dissatisfied with his 1959 farm acreage allotment for wheat and whose time for appeal had expired would be given up to 15 days after the bill is enacted to have his allotment reviewed. (Sec. 303)

### TITLE IV - WOOL

The Wool Act is extended for four years until March 31, 1963. (Sec. 401(a))

The present provision of the Wool Act which limits the total amount of the payments that may be made under the Act to 70% of the import duties on wool and mohair is repealed. The bill provides, however, that if the expenditures on wool and mohair will exceed 70% of such import duties, price support for wool and mohair shall not be in excess of 85% of parity. (Sec. 401 (b), (c))

### TITLE V - PUBLIC LAW 480

Titles I and II of P.L. 480 would be extended for two years. (Sec. 503, 504)

\$1,500,000,000 would be authorized for sales for foreign currencies under Title I for each of the two additional years. (Sec. 501)

The bill provides that extra long staple cotton shall be made available for sale for foreign currencies under P.L. 480 in the same manner as upland cotton, and that products manufactured from upland or long staple cotton shall be made available for sale under P.L. 480 as long as cotton is in surplus supply. (Sec. 506)

The bill would authorize the use of foreign currencies derived from the sale of commodities under Title I for financing Smith-Mundt exchange programs,



and for assistance in the expansion or operation in foreign countries of educational facilities, and in supporting workshops and Chairs in American studies.

Strategic or critical materials to be acquired under barter program would be limited to materials for the national stockpile, the supplemental stockpile, foreign aid programs, or offshore construction programs. (Sec. 505)

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